







A

**AN INDISCREET CHRONICLE  
FROM THE PACIFIC**

*BOOKS BY PUTNAM WEALE*

*Political*

- Manchu and Muscovite.
- The Re-Shaping of the Far East (2 volumes).
- The Truce in the East and Its Aftermath.
- The Coming Struggle in Eastern Asia.
- The Conflict of Colour.
- The Fight for the Republic in China.
- The Truth about China and Japan.
- An Indiscreet Chronicle from the Pacific.

*Romantic*

- The Forbidden Boundary.
- The Human Cobweb.
- The Unknown God.
- The Romance of a Few Days.
- The Revolt.
- The Eternal Priestess.
- The Altar Fire.
- Wang the Ninth.

*Autobiographical*

- Indiscreet Letters from Peking.

# AN INDISCREET CHRONICLE FROM THE PACIFIC

BY  
PUTNAM WEALE

"Questions are never indiscreet  
Answers sometimes are . . ."

OSCAR WILDE



NEW YORK  
DODD, MEAD AND COMPANY  
1922

DSS18  
S5A

COPYRIGHT, 1922,  
BY DODD, MEAD AND COMPANY, INC.

Price \$15.00  
1000

©CLAG86806

PRINTED IN THE U. S. A. BY  
**The Quinn & Boden Company**  
BOOK MANUFACTURERS  
RAHWAY NEW JERSEY

NOV 14 '22

## NOTE

**PUTNAM WEALE** is the pen-name of Bertram Lenox Simpson, an Englishman in the political section of the office of the President of China. Beginning his official career twenty-six years ago, under the late Sir Robert Hart, the famous head of the Revenue in China, he resigned after the siege of the Legations and began writing books of which there are now nearly twenty to his credit. Of his former chief he says, "He trained me with a rod of iron." His literary method discloses this early training.

After the Revolution of 1911-12 he received offers to re-enter the government service. But it was not until 1916, and the overthrow and death of Yuan Shih-kai, that he resumed official work in the political department. Since then he has been sent on many missions and is mainly responsible for the Reports on foreign affairs.

This book deals with steps taken to bring about the demise of the Anglo-Japanese Alliance Treaty, and is in many ways an extraordinary compilation.

*August, 1922.*



## CONTENTS

PART		PAGE
I	THE PROBLEM . . . . .	1
II	THE INSTRUMENTALITY OF CANADA . . . . .	32
III	THE UNITED STATES TAKES A FIRST STEP . . . . .	61
IV	THE IMPERIAL CONFERENCE OF 1921 . . . . .	88
V	CANOSSA . . . . .	125
VI	WASHINGTON IN NOVEMBER . . . . .	152
VII	CLIMAX AND ANTI-CLIMAX . . . . .	179
VIII	THE RECKONING . . . . .	215
	APPENDIX. THE WASHINGTON TREATIES AND RESOLUTIONS . . . . .	249



## LIST OF MAPS

	PAGE
I TERRITORY OF THE FAR EASTERN REPUBLIC . . . . .	34
II MAP OF THE NORTHERN PACIFIC . . . . .	56
III RAILWAY MAP OF CHINA . . . . .	82
IV PACIFIC POSSESSIONS OF VARIOUS NATIONS CONCERNED IN THE PROBLEMS DISCUSSED AT THE WASHINGTON CONFERENCE . . . . .	128
V THE FAR EAST SHOWING IRON AND OIL DE- POSITS . . . . .	182
VI MAP ILLUSTRATING CANALIZATION OF CHI- NESE WARFARE BY THE RAILWAYS . . . . .	200



# AN INDISCREET CHRONICLE FROM THE PACIFIC

## PART I

### THE PROBLEM

#### I

I HAVE lately come to the conclusion that the fundamental policy of the Tokugawa Shogunate (which was likewise the initial policy of the defunct Manchu dynasty) in forbidding in the Seventeenth Century in as absolute a manner as possible intercourse with Western countries was scientifically correct.

The Japanese were more thorough in their policy than the Chinese because they were then as now essentially a maritime people understanding the importance of the sea, and much given to the pursuit of ideas to their logical conclusion without regard for the ultimate consequences. They had for hundreds of years prior to the prohibition wandered in their shipping over a goodly part of the Eastern arms of the Pacific Ocean, and captured by piratical assault coast towns in Northern and Central China, harbours in the Philippine archipelago, and *prahus* in the Straits of Malacca. Regulations made in the Ming dynasty (Fourteenth to Seventeenth Century)

## 2 AN INDISCREET CHRONICLE

prescribe very minutely the number of persons who might accompany Japanese embassies to Nanking, the old Southern capital, because it was always feared by the Court that bands of swordsmen might be concealed in such corteges, who would not hesitate to attempt a *coup de main* if the odds seemed in their favour. It is an interesting historical fact that the failure of the Mongol invasions of Japan in the Thirteenth Century led to a great outburst of piracy and raiding on the part of Japanese. The men of five centuries ago had therefore almost precisely the same characteristics as to-day; the modifications which have taken place are infinitesimal; and it will be interesting to watch whether they will in the end react to foreign economic pressure much as they finally did to foreign cultural and military superiority in the early Tokugawa period.

The Chinese were less drastic in their prohibition because they were (and still are) not only philosophic but creatures of a curiously contradictory compound. A friend from the southern provinces who has reflected long on the matter, constantly declares to me that their nature is a mixture of the cynic and epicurean; they have a contempt for human nature and yet at one and the same time are much given to sensual enjoyment. This estimate seems to me just because on no other basis can their marvellous and splendid art be reconciled with the rather sordid background of their daily lives. It was not in them to reject the West in the manner the Japanese did

immediately they believed that that gesture was requisite to secure their own institutions. That seemed too extreme for them, no matter how ugly European conquest might be. European historians have been much given to describing in glowing terms the effects which the Turkish capture of Constantinople and the loss of the old land-routes to the East had on the progress of the Western races. They have never ceased proclaiming that the white man, victoriously bursting his bonds and sailing round Africa, Asia, and the Americas, by his sea-mastery conquered the world in the space of half a century, and vastly benefited humanity. How the cultured Asiatic felt about the assault on his domains is a matter which has not attracted much attention, although Mr. H. G. Wells in his Outline of History has almost for the first time in the cast of any Western writer taken more adequate views.

The Japanese walled themselves in against Europe, leaving open only a tiny window at Deshima in the harbour of Nagasaki to which Dutch traders came once a year, because fear had gained them. Spanish galleons, wrecked on their shores, had shown them as in a glass darkly what the famous infantry of Alva might mean to them, and how impossible it would be to resist a great expeditionary force if Western cupidity were thoroughly aroused. There was undoubtedly in the Japanese brain a memory of the great Mongol armadas of the Thirteenth Century, which had succeeded in effecting a landing

## 4 AN INDISCREET CHRONICLE

on Japanese soil and had only been destroyed, much as the Spanish Armada to England was destroyed, by great storms. Other points which must have influenced policy were the success of the Korean admirals in burning the Japanese fleets during the Hideyoshi Expedition, and a growing conviction that Western firearms (shown them by the Portuguese and Spanish) were a handicap which they could not surmount.

But allied to this was another fear, far more insidious since it postulated the war of ideas, a fear which is again to-day in new forms heavily assaulting them. Christianity, in the person of those immortals whose accounts of early Japan, like their accounts of early China, remain delightful prose poems, had not only knocked at the doors of the country, but achieved astonishing success. Great daimyos had listened and believed and had been baptized. The wearing of the scapula was beginning to be fashionable. The little-known and uncompleted history of the Japanese people by Murdoch, a monumental work, has to be read in order to understand the vast commotion in Japanese society. The Japanese nature, always dramatic and intense, seemed on the point of achieving something new and remarkable in a manner totally unknown in the East. . . .

The closing of Japan by the Shogunate was thus a double gesture: there was the outward and visible slam of the door to keep out aliens, and the inward and secret act which ironed out dissidents. The curi-

ous Japanese type, created by a racial fusion which is by no means yet clear, and which has in it undoubtedly very contradictory elements, had been temporarily saved. Japanese culture, obtained from China by way of Korea a thousand years previously and hammered into the amalgam of race by slow processes, became even more stereotyped than before. The old order of society, based on monastic orders and feudalism and traditional observances, was such a nice balance that to hold it in place seclusion was plainly necessary. Had the Shogunate been cancelled by maintaining the open door and permitting the constant entry of zealous missionaries, not to speak of the traders with their arquebuses, it is almost certain that Japanese history would have resembled the history of Asia Minor before Arab and Turk destroyed the Norman kingdoms on the Mediterranean. The Christian daimyos, who fought in the Korean expedition of 1596 with cries of "Maria" under banners adorned with the Cross, might have been the founders of Catholic principalities on the shores of the Inland Sea. . . .

## II

The action of the Chinese, while based on the same general principle, was curiously different in its detail. The Manchus had inherited most of their foreign policy from the Ming dynasty, just as the Republic of China has inherited most of its foreign

policy from the Manchus. The Ming dynasty had no very settled ideas on the subject of foreigners until Portuguese mariners in the Sixteenth Century began to behave atrociously in the coast towns of Southern China and sallied forth and provided themselves with virgins whom they spirited away to their ships. This led to fierce reprisals and the destruction of the early settlements. Eventually Macao—a tiny town in the Canton estuary—became the sole legal residence; and it is a curious commentary on the vagueness and indifference which characterize foreign affairs that even to-day the Macao question is unsettled in certain particulars.

Meanwhile the Chinese, being essentially commercial-minded, evolved at Canton a special machinery based on the close corporation idea, which standardized the exchange of goods at the seasons set by the trade winds and allowed fleets of vessels to come and go. Their own great junks still sailed down to Singapore as they had done in Marco Polo's day, trans-shipping their cargo and getting new freight without such regard for Western activities; whereas the Japanese made the building of sea-going vessels a death offence. The Chinese had the same religious problem as the Japanese; but they were indifferent in the matter until a clear ruling from the Pope made the authority of the Church override the authority of the emperors. Then it was that by Imperial Edict the custom of ancestor-worship destroyed the power

of Propaganda; and that the religious door was slammed to as in Japan.

With the Nineteenth Century the chances of maintaining the scientifically correct policy of exclusion diminished to vanishing point (scientifically correct because it preserved and fostered the type of culture evolved by native genius). The civilization of the extreme East was at last to meet its inevitable Nemesis in the machine-made civilization of the extreme West. There has been a good deal of renown won by Commodore Perry for his so-called opening of Japan: but it is necessary to observe that China had been "opened" eleven years previously and that the waters of the Pacific and the Yellow Sea were being ploughed by countless foreign keels. Sailing vessels had been seen passing down the coast of Japan in hundreds; many had been wrecked and their crews made captive. The policy of seclusion was failing, sapped by the sea-tides, precisely as if it had been a castle of sand. . . .

The motives which prompted the American initiative in this matter appear to have been mixed. I have discovered nothing in any published account of a very convincing nature. No doubt the British Treaty of Nanking made with China in 1842 exerted a great deal of influence: so did events taking place in what are to-day the Pacific Coast States. The cession of California and the settlement of Oregon certainly seemed to demand a more vigorous policy further afield. President Wilson with his doctrine

## 8 AN INDISCREET CHRONICLE

of the freedom of the seas was inventing nothing new; for there is at the back of American consciousness a sort of sea instinct, not as strong as the English instinct, yet closely resembling it, and tending always to give importance to maritime action. For the reason I am inclined to believe that the advance of British traders clear round Asia to the very mouth of the Yangtze river—which was the great accomplishment of 1842—prompted Perry's action more than anything else, although the rescue of shipwrecked crews and the needs of the Pacific trade were the public reasons. Significantly enough, Perry used Hongkong as his base, American foreign policy always tending to use England as its starting-point. . . .

Presently Korea was “opened” and soon the impact had become more or less stereotyped. The Western world could now dump its excess production on the foreshores of a large number of open ports and receive back quantities of raw or semi-raw products. The rest was more or less on the knees of the gods. What effect this exchange was having on the minds of the populations: what shape destiny would give their hopes and fears—above all their fears—these things were not for officialdom.

We thus reach the period of the Nineties and the war which inevitably came between the two “opened” countries, China and Japan, about the third “opened” country, Korea. All was inevitable; for the banishment of seclusion and exclusion brought China and

Japan back to precisely the same point where they had been when they left off quarrelling prior to the fall of the Ming dynasty.

Japan had learnt something about soldiers and navies; China considerably less. The result was a Japanese victory.

But there was a much more important circumstance. With the collapse of China the immense corruption of Russian imperialism had at last reached the Far East in force by the land-route. Russia had been nibbling for a generation: now she opened her mouth and bit hard. The balance of power was not only changed by this event, but history inevitably took a new road far away from the sea-lanes which had until now monopolized attention. The greatest importance must be attached to this dislocation which has no parallel in the annals of the East, and to which is directly due practically all world disturbance during the last quarter of a century.

Of all Powers the United States was the one which understood the implications of this vast modification the least. Placed in possession of the Philippines by chance and in the Hawaiian Islands by deliberate act, she still maintained the fiction of the aloofness practised by her for a century. Yet of all the Powers she was the one that had the oldest Pacific relations with Russia. Books written sixty and seventy years ago are filled with the activities of Americans and bear witness to their old-time success. Long before there was any question of the Alaska

## 10 AN INDISCREET CHRONICLE

purchase, Russia and America almost joined hands across the Northern Pacific, American whalers and schooners being the vanguard of the maritime advance.

But in the interval between the Alaska purchase (1867) and the Treaty of Shimonošeki (1895) a great change had come. The sailing-ship days were over and in the first age of steamers Americans did not excel. The zone of interest had also crept southwards. Hawaii and the Philippines had become the symbols of policy—not Alaska and the Aleutians. It was a British fleet which occupied the Korean anchorage, Port Hamilton, in 1885 because Russia looked like moving south, although, logically, it should have been an American fleet since America had opened Korea in the Perry style only three years previously and had proclaimed unalterable principles. Even in China American policy was purely negative, taking the form of altruistic declarations. There was a very definite pause as men tried to take stock of the vast struggle now going on between the century old maritime policy and the new Russian policy of land grab.

The signature of the Anglo-Japanese Treaty in 1902 was a declaration that sea-power tends naturally to work along certain lines. It was the most important event in China since 1842 because Japan was still essentially a sea-power, not yet turned by continentalism into something harder to define. The challenge which Russia offered was so obvious that it

was necessary to meet it or else the sea-lanes would be closed.

The Russo-Japanese war put Japan back where she had tentatively been in 1895, with the valuable addition of railways. It is from this moment that the modern history of the Far East commences. All the forces which are still working were then set in motion, moving with a steadfastness which is a fair promise of their permanence. The problem of integrating Chinese national life in such a way as to be an effective international element had necessarily become greatly complicated. It was only men of strong minds who could see that in spite of vastly increased detail the outline remained essentially the same.

### III

In Peking, long before the world-war, we had reached the conclusion that there were only two countries important to the New China. They were important not so much because of what they might directly do, but because the future in the Far East hinged on whether or not their views were identical and their influence directed along the same channels towards the same ends. The relationship of England to America—that indeed was the supreme factor! No matter how you might look at it there was not one of the other Powers that had any true liberty of action or that could by any possible combination radically influence the march of events. Russia had

## 12 AN INDISCREET CHRONICLE

compromised her whole future by her rashness in the post-Boxer period.. Germany, separated by ten thousand miles from the scene of action, had after an initial outburst of disruptive energy in 1898 and 1900 settled down to a motherly policy which had won for her the confidence of the Chinese. France had interests so small that they were not seriously to be counted. Let us remember that it was these three Powers who combined together in 1895 against Japan in the Liaotung intervention—Russia, Germany, and France.

### Remains Japan.

Japan, in spite of her victories in 1894-95 and 1904-05, still possessed little that made for permanent greatness. Her geographical isolation was perhaps a factor; but internationally that had a negative as well as a positive side; for it put her out of communion with the world. The machine-made age had indeed touched her and enlisted her in its ranks; yet essentially she remained unchanged. Her national life was based as in the remote past on primitive agriculture and the fisheries and the handicrafts: and whenever her factories were idle the men went back to the land and the coast and the small shops and worked as if the Nineteenth and Twentieth Centuries had brought no change. Iron and steel and scientific accomplishment had increased her armaments; but the façade of Westernism was not very tough, and in a true conflict of exhaustion the same things would come to the surface as in the earlier centuries—fierce

battle valour, a posture of defence, retirement. . . .

One circumstance and one only qualified this. This was the existence of the Anglo-Japanese Alliance which has played the same part in Japanese national life as the Declaration of Independence in the life of the American people. So immense has been its influence in changing Japan's relationship with the world that exaggerated as the sentence above may sound it is hardly the whole truth. Japan had not possessed independence in the sense that Western Powers understood it until the Alliance gave it to her. She had been dispossessed of the Liaotung by a mere gesture on the part of three Powers and she had been intrigued out of Korea by one Power alone—Russia. She could never have fought this Power without the protection of the Alliance. Even as it was ruin was so close to her when the war was stopped that it was calculated to be exactly five months off. The real instrument of peace was not the treaty signed at Portsmouth on the 2nd September, 1905, but the second Anglo-Japanese Alliance of the 12th August signed in London. The whole framework of her Western relationship, being purely artificial, was held up and supported not by what she could do herself, but what she could get others to assist her in doing. This is a pregnant sentence which every student should nail to his desk. No men understood this better than Japanese statesmen; this is precisely why Japan's future, like China's, hinges on how England and America act.

Japan's Korean-Manchurian policy, with its curious attempts to find sanctions which would meet the approval of the resident populations and lead them to endorse foreign-style legal agreements entered into for international reasons, began badly to frighten the Far East long before the world-war: and whilst it would be an overstatement to declare that the Chinese Revolution of 1911 was directly due to Japanese policy that Revolution would have been impossible without the humiliations which had been imposed on China by Japan.

The British, being like the Chinese essentially a commercial-minded people, were troubled by the rise of a commercial rival. But policy in England is conducted on the plan of the Insurance Office. Good risks, when they have been willingly written, are continued because that is the essence of sound business, and because a contrary attitude would seem unconservative and rash. Japan had carried out the letter of her contract: and since it is not usual for statesmen to inquire about things of the spirit, the rest was a matter which could only be unofficially condemned.

In 1911 the British had done a remarkable thing—signed the third Anglo-Japanese Alliance four years before the second instrument had expired, ostensibly because, in the language of the preamble, changes had occurred necessitating a revision of the text. In reality it was another matter which forced action. The supreme factor in the Far East had begun

to loom up in a new way: the relationship of England to America was troubling statesmen. The movement towards arbitration treaties was a symptom of a need which was deeply felt in order to eliminate risks which had become perilously hazardous. The insertion of the arbitration article (Article IV) was agreed upon, although not at all popular with the Japanese. But that was all. The old insurance firm would not yet admit the existence of a world in which a complete abandonment of an established system was advisable. The proof of this was afforded by the whole action which began in 1914 to which very close attention should be re-directed.

## IV

British policy has historically thought of Asia on a strictly mercantilist basis. Asia is a region where there are markets, not peoples. This connotes the existence of certain common necessities and leads to a certain kind of action, but nothing else. The markets must be supplied with cloth, iron, machinery and what-not; the markets must send back their raw and semi-raw products. Nothing must be allowed to interfere with this exchange or prejudice it. But that ideas should penetrate in company with the cloth, iron, machinery and what-not and have a most powerful repercussion, leading to aspirations, temptations, irritations and aspersions, is if not an irreverence at least not in accordance with precept.

In 1914 there was a document in existence—the Anglo-Japanese Alliance. It was destined to do for China the greatest disservice any foreign agreement had performed at any time in her history.

Germany in the Far East, as I have already pointed out, was popular because her policy for a number of years had been more liberal and less mercantilist than the policy of any other Power. Several years before the outbreak of war her action in the sphere of Chinese railways had been decisive in breaking down a persistent and malevolent attempt to alienate control from the Chinese people and place it in the hands of foreign syndicates. In business and diplomacy she was accommodating and sympathetic, showing that she understood something of the psychological problem which was before the peoples of the East from the necessity of scrapping their own civilization and substituting alien ideas. Although she was a member of the Banking consortium she had taken little or no part in the politico-financial action of the Legations in the previous year—1913—which by means of an international loan had destroyed the Parliament of the Republic to which they were accredited.

President Yuan Shih-kai was actually engaged in conversations having for object the surrender of the Kiaochow Lease, as soon as the German cruisers commenced their raiding in the China Seas. But the conversations had led nowhere not so much because full powers were not possessed by the German rep-

resentatives, but because of the advice and action of the British Minister. Had Britain, in the person of the British Minister, made an absolute offer to support China if she turned out the Germans by force unless Kiaochow was immediately surrendered, there would have been instant action, and all history would have been different. The same communication should have been made to China as to Japan. I have the authority of all the secretaries and personnel of the late President Yuan Shih-kai for the statement that China was dissuaded from either quickly completing her negotiations or taking the necessary military action because of advice tendered her under the guise of friendship. The complete failure to grasp the great possibilities which a belligerent China held out for a solution of the Far Eastern question in 1914 was due to the fact that the men of the spot were not only inadequate but did not deal fairly and honourably with a friendly power.

Yet England was represented in Peking by an exemplary official with every possible qualification, except imagination and a knowledge of world affairs. A member of the China Consular service long before he had been made British Minister, Sir John Jordan was perfectly acquainted with every aspect of Chinese life and highly sympathetic with the Chinese people. Liberal-minded and just, he had completed in the last years of his service a piece of noble work by forcing through in the teeth of bitter opposition the total abolition of the Indian opium trade, a traffic

which had been a source of disgrace for more than a century. Nevertheless, in spite of these qualities, he was totally unsuited for the crisis which arose. Deeply occupied with routine work, he could not conceive of a disorderly issue such as war arising suddenly out of the night. What stirred and occupied him was contraventions of the commercial Treaties which he looked upon as more important than the fate of nations. Venerating the Foreign Office, in a way which might have even embarrassed the late George Downing, he had come to look upon any interruption of the time-honoured method of reporting and receiving instructions as a sign of Divine displeasure.

Yet he had the situation in the hollow of his hand. Fate had willed that in the days of his youth he had been a contemporary of Yuan Shih-kai's in Seoul, living through long and stormy years with him when Korea's fate was at stake. His influence with the man was very great; there was nothing that he could not get him to do. The establishment of the Republic in China had largely come through his advocacy of compromise at a moment when decision in another sense would have kept the Manchus on the Throne. The very next year, without ever suspecting that he was guilty of something worse than inconsistency, he had assisted the virtual overthrow of the Republic and the rise of the open dictatorship of Yuan Shih-kai by forcing through a foreign loan against the will of Parliament. Like many mild men, a believer in the

strong man theory because he had heard so many people speak approvingly of it, he nevertheless had few ideas on the subject, and always hoped for the best even when his actions were producing the worst.

Such was the man on the spot who in the summer of 1914 was called upon to play a decisive role in a matter as disorderly as a world-war.

What did he do? He carefully and zealously watched other people act and reported the facts by telegraph from hour to hour. The one important thing was to get a firm grasp of all the undertakings between China and Germany; to watch them both; and to show London (by telegraph) how the Treaties might affect the issue. All his influence with Yuan Shih-kai, all his friendship for China, all the immense possibilities of the situation were forgotten; he merely carried out his duty according to his lights.

What took place? In Dr. E. J. Dillon's book on the Paris Peace negotiations there is an account which has been checked with official documents and found to be substantially correct, and which shows in a sufficiently precise way the information and advice which reached London from Peking.

Dr. Dillon says:

"The day before Britain declared war against Germany the British Ambassador at Tokyo officially inquired whether his Government could count upon the active co-operation of the Mikado's forces in the campaign about to begin. On August 4th Baron Kato, having in the meanwhile consulted his colleagues, answered in the affirmative. Three days later

## 20 AN INDISCREET CHRONICLE

another communication reached Tokyo from London, requesting the immediate co-operation of Japan, and on the following day it was promised. The motive for this haste was credibly asserted to be Britain's apprehension lest Germany should transfer Kiao Chow to China, and reserve to herself, in virtue of Article V of the Convention of 1898, the right of securing after the war 'a more suitable territory' in the Middle Empire or Republic. Thereupon they began operations which were at first restricted to the China Seas, but were afterwards extended to the Pacific and Indian Oceans, and finally to the Mediterranean. The only task that fell to their lot on land was that of capturing Kiao Chow."

Here you have in all its nakedness the terrible error of August, 1914. Not the fate of civilization, not the victory of one group of Powers devoted to proclaimed objects, not national security were matters of concern in China, but apprehension concerning the possibilities contained in Article V of the Sino-German Convention of 1898! Never has official stupidity shown itself so glaringly. China, who could have been brought into the war at the very outset with England on midnight of the 4th August 1914, and contributed (after the occupation of Kiao Chow) a powerful army for the Mesopotamian and Near Eastern campaigns was rebuffed and deliberately kept out, being almost driven into the opposite camp through the action of Japan, taken at the request of England, advised to that end by her minister in Peking. Her troops, who might have won for her excellent renown abroad, were left to fester in the country so that they could gradually destroy all unity. Nor

was the folly confined to astounding aberration at the beginning of the war; no attempt was made almost until the end to utilize Chinese resources. Although the dockyards of Hongkong and Shanghai almost all belong to British companies, and could have turned out annually 200,000 tons of new shipping, official action in spite of every effort was so supine that nothing was done until the effort was of no importance. One million tons of new vessels were therefore as deliberately thrown away as if the Germans had sunk them. Had Germany possessed England's position and resources in China it would have meant for her the difference between defeat and victory. That a heavy responsibility attaches to every one who participated in this conspiracy of inaction is to-day not disputed.

Because it had meant for them a secret and unnecessary betrayal, the Anglo-Japanese Alliance became enthroned as an object of open hatred in the hearts of the Chinese people. After having been in existence twelve years, it had directly meddled with Chinese affairs in a most disastrous way and had directly influenced not only the march of events throughout the world but the chances of Chinese domestic peace. For with the mandate given to Japan over the matter of Shantung, the Japanese took every advantage, from the Twenty-one Demands of 1915 down to their uncompromising stand of Paris in 1919. The survival of the wholly incorrect idea that the Chinese cannot be utilized in

world politics, except as hewers of wood and carriers of water in Labour Corps, was at the bottom of a mistake which the world will continue to pay for during long and painful years.

## v

If England was the clumsy sinner, America was the really romantic sinner. Her policy in the Far East had constantly passed beyond the limits of real life because she had no vital interest at stake. She dreamed great dreams which ended in commonplace diplomatic morasses because she was never prepared to do more than throw out ideas which she allowed others to stamp out of existence. From the enunciation of the Hay doctrine of the Open Door in 1899 to the exchange of the Lansing-Ishii notes in 1917 she accomplished nothing that influenced in any degree the onward march of the peoples of the East, while contributing a great deal to their confusion and unrest.

What was she aiming at? Peace, perfect peace; she desired to enthrone peace and make all men love one another. But her method was by proclamation rather than by action, by abstention rather than by participation. The supreme irony lay in the fact that her dearest measure was the one most deeply resented by the Chinese people: for it is a singular and interesting fact that the only way you can translate the open-door is by the phrase "throw open the

portals of your house," which is tantamount to a "sanction" resembling exploitation. The constant reiteration of the open-door policy during two decades has created unnecessary suspicion and is one more proof that it is unwise to think up means to save a nation until you have satisfied yourself that your language is comprehensible. Even when great opportunities lay within her grasp she signally failed because her proposals were inevitably unbusinesslike. Thus in 1901, during the great international discussion which settled the Boxer peace, the late William Rockhill, American Minister to Peking, proposed at the last moment in the name of his government that all the Powers should cut their claims in half as an act of self-abnegation, and so prevent the camel's back from breaking, the plan was promptly rejected. Had he laid down the doctrine that the payment in specie of the sums demanded from China would upset the markets of the East, debase all values and ultimately bring revolution, and then insisted that it was equally important for a stabilizer to be set up by each Power allocating from its payments a definite percentage to a Central Bank and Currency fund, the plan would certainly have been accepted, and by now, after twenty years, a relatively vast mass of white metal would be held in reserve in China and the outlook entirely different.

During the Russo-Japanese war there was almost the same folly. No one now doubts that President Roosevelt's intervention in 1905 was dictated by an

## 24 AN INDISCREET CHRONICLE

almost feverish desire to stop a sinister development of Japanese power. Yet this could have been arrested only by precisely the opposite method. It would have been far better to have declined to intervene (and also to have declined to allow others to intervene) until the principle of Chinese integrity had been definitely established by a pledge of evacuation of Chinese soil. Had that been done and the war fought to its normal conclusion, the after-thought of 1909, the scheme for the neutralization of Manchurian railways, would have been part of the peace settlement, and a very great issue would not be still awaiting solution. Nor would it have been necessary to acquiesce in the crucifixion of Korea, which remains a standing indictment of the American-Korean Treaty of 1884 and a proof that it was a worthless document.

Policy was always out of its depth directly a concrete problem arose. The retirement in 1913 of the American banking group from the Consortium of foreign banks, on the direct instruction of President Wilson, because the terms of the loan touched very nearly the administrative independence of China was another proof that elimination is the normal end of those who will not force their participation on others at their own price. Great, however, as were the errors of policy in the decade following the Portsmouth Treaty, they were to be eclipsed and made as nothing compared with the error of the war.

## VI

It can be said that just as the greatest error in seventy years of British policy in China was invoking the aid of Japan in 1914 to perform a piece of work which was legitimately China's, so in 1917 was there committed the greatest error the United States ever made. After having induced China to break off relations with Germany and pushed her to declare war by promises of financial support, there was a complete failure to produce so much as a single dollar. Although it would have been the richest moral and political investment conceivable to have made modest advances to the Chinese Exchequer, China was left with not money enough to execute a single measure. Her disastrous loan operations with Japan were as directly due to the action of the Government of the United States as the seizure of Shantung and the Twenty-one Demands were due to the action of England. Precisely the same moral responsibility attached to both Powers.

Yet like England, the United States was represented in Peking by a lover of the Chinese people, which makes the case all the more extraordinary. In Dr. Paul S. Reinsch America had just as exemplary an official. Passionately interested in the problem of the Far East, he had brought with him from his university professorship a degree of accurate knowledge and psychological understanding seldom if ever before possessed by previous occupants of his post.

## 26 AN INDISCREET CHRONICLE

During four years prior to 1917 he had served an arduous apprenticeship in the endless political struggle which rages in the Chinese capital. If nothing very tangible had come out of it all, circumstances were partially to blame. A certain doctrinaire quality of mind perhaps rendered fruition of schemes more difficult than it would have been in the case of a more practical man. Nevertheless, in restless energy Dr. Reinsch made up for everything else; and he was therefore as ripe for the crisis which arose in February 1917, when the United States invited China to share her submarine policy, as any man could be.<sup>1</sup>

He threw himself with as much zest into the matter of getting China to the war as if the subject had never been broached before. And he succeeded so well that he entirely lost sight of the central fact—which was not what China was going to do for the world, but what America was going to do for China.

China did not forget the central fact—she pressed for information and money. Characteristically, Dr. Reinsch begged the issue. Instead of making cash the touchstone of American policy, he declared that goodwill would do as well. Had he bluntly informed his government that unless they were prepared to finance China as a belligerent it was futile to proceed further he would have gone down in history as the first American minister to Peking who had understood how to handle a crisis in a practical way.

<sup>1</sup> See the volume "An American Diplomat in China," one of the most singular "diplomatic" accounts recently published, for further details of this period.

This is how he wrote to the Chinese Government on the 7th February, when the final decision came up, as has been disclosed in his own book:

“EXCELLENCY,

“In our recent conversation concerning the policy of your Government in associating itself with the United States in active opposition to the unrestricted submarine warfare by which Germany is indiscriminately jeopardizing the lives of neutral citizens, you have with entire frankness pointed out to me that, whereas the Chinese Government is in principle disposed to adopt the suggestion of the President of the United States in that regard, it nevertheless finds itself in a position in which it would not feel safe in so doing unless assured that it could obtain from American sources such financial and other assistance as would enable it to take the measures appropriate to the situation which would thus be created.

“With like candour I have stated to you that I have recommended to my Government that in the event of the Chinese Government’s associating itself with the President’s suggestion, the Government of the United States should take measures to put at its disposition the sums immediately required for the purposes you have indicated, and should take steps with a view to such a funding of the Boxer Indemnity as would for the time being make available for the purpose of the Chinese Government at least the major portion of the current indemnity instalments: and I have indicated to you my personal conviction that my Government would be found just and liberal in effecting this or other such arrangements to enable the Chinese Government to meet the responsibilities which it might assume upon the suggestion of the President. I should not be wholly frank with you, however, if I were to fail to point out that the exact nature of any assistance to

be given or any measure to be taken must be determined through consultation of various administrative organs, in some cases including reference to Congress, in order to make effective such arrangements as might have been agreed to in principle between the executive authorities of the two countries; and I therefore could not in good faith make in behalf of my Government any definite commitments upon your suggestions at the present time.

"I do, however, feel warranted in assuming the responsibility of assuring you in behalf of my Government that by the methods you have suggested, or otherwise, adequate means will be devised to enable China to fulfil the responsibilities consequent upon associating herself with the action of the United States Government, without any impairment of her national independence and of her control of her military establishment and general administration."

As a result of the assurance contained in this despatch China took the first step in regard to Germany. On the 9th February the presence of the German minister was requested and a Note was read to him to the effect that China would break off diplomatic relations with Germany if unrestricted submarine warfare was persisted in. And on that date, American influence, so far as Chinese action was concerned, came as completely to an end as if the United States had dropped down a bottomless hole. Nothing tangible ever came of the assurance of financial help; and if one is to accept the indications in his own book, Dr. Reinsch was made to suffer by his own government for his zeal. When the full Chinese declaration of war finally matured six months later,

Japan had secretly tied her Allies in such tight knots that the disposal of Shantung and the Pacific islands, north of the equator were *choses jugées*. The whole Chinese action subsequent to the 9th February, indeed, depended on Japan. The German Minister to Peking was handed his passports on the 14th March, only when the Japanese Minister on secret information from Tokyo pressed for war. The hoodwinking of America was complete. All the measures of relief granted to China, when her belligerency was officially established, were general measures granted by all the Powers alike, such as temporary suspension of the Boxer indemnities and Tariff revision. The one Power who gave her special consideration for her own purposes was not the United States but Japan, who obtained for her under various headings during the next two years a sum equivalent to one hundred million gold dollars. The United States contented herself by writing an epitaph on the grave which she had dug for herself by handing China a note on the 5th June which declared that "the entry of China into war with Germany—or the continuance of the *status quo* of her relations with that government are matters of secondary importance. The principal necessity for China is to resume and continue her political entity, to proceed along the road of national development on which she has made such marked progress."

In all diplomatic archives there is nothing quite similar.

If official policy was erring so astoundingly, there was fortunately another factor becoming operative. Some subtle instinct was causing a profound change in the relations between America and Britain which showed itself in many small ways. Somehow it seemed clear that on the Pacific, if nowhere else, prudence demanded a revaluation of things. Those whose fundamental principles were the same should surely take counsel together. The history of the Far East began to be re-read; men looked back to the days when only the English-speaking race had been important in China and Japan. What was going to happen to England and America on the Pacific if a powerful rival secured all the points of vantage? That was an interrogation which the Paris Treaties left unanswered. But so long as the fundamental element governing the action of the Powers in the Far East remained unchanged, nothing beneficent was to be hoped for, i. e., so long as the relationship of England to the United States was conditioned by the Japanese Alliance so long would China remain a secondary matter.

As early as the spring of 1920 we had decided in Peking that no reasonable hope could be entertained for China's salvation with this treaty in the way. The agreement of 1911 nominally terminated on the 13th July, 1921: but all inquiries and notes addressed to London had produced such little result that it was

clear that due consideration of the problem was being purposefully avoided.

Consequently the time seemed to have arrived in 1921 for forcing the issue, forcing it in such a way that the ultimate consequences could no longer be shirked or the dangers masked. The Japanese Alliance was the greatest matter in the Far East, making even finance very secondary. Until now the problem had only concerned the two cabinets of London and Tokyo. But with the new orientation which post-war policy had brought, it was possible to interest others. Either the English-speaking races must be brought to an understanding of the position in which they were placed, or else they would become entangled in war.

## PART II

### THE INSTRUMENTALITY OF CANADA

#### I

CANADA is perhaps the greatest living proof that a special Providence watches over the destinies of the British Empire. Without Canada there would be constant and growing rivalries between England and America both on the Atlantic and the Pacific: with Canada there is more than a reasonable chance that unity of action will not only be achieved by the English-speaking peoples, but that this unity will be the dominating feature in world-politics.

Geographically, Canada is so definitely a portion of the same territory as the United States that there is at first sight no reason why it should not have adhered to the same government. But historically there are vital differences which isolate the mood of 1776 from this vast rich belt which projects itself from ocean to ocean, and is so richly furnished with rivers and lakes and so chained with railways that its highway qualities almost overtop all else.

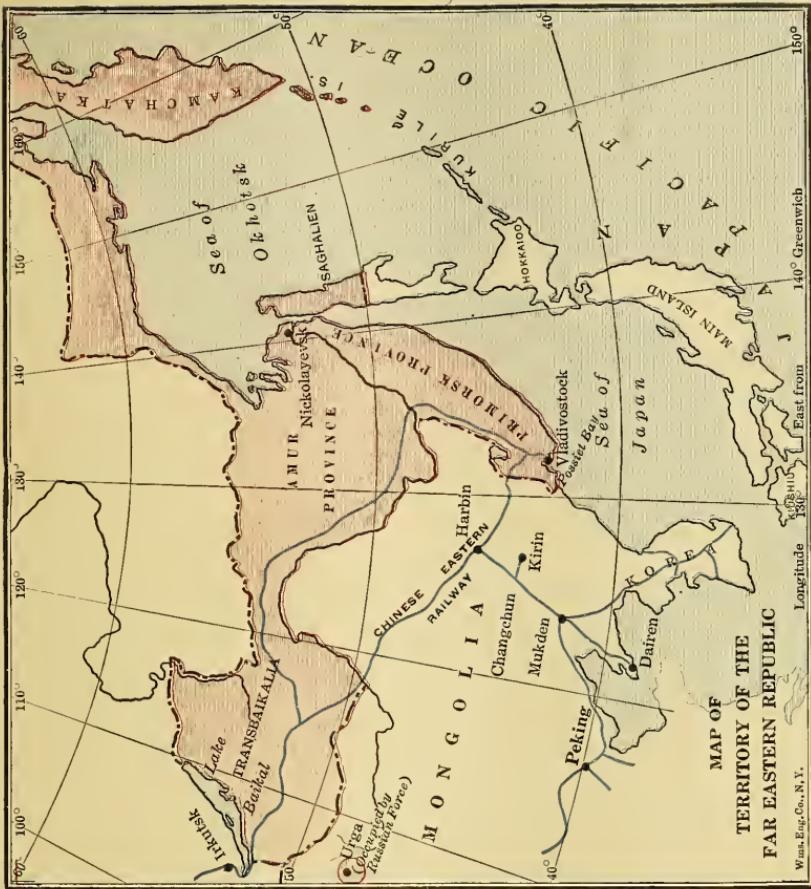
Canada is preëminently the child of the Nineteenth and Twentieth Centuries when the mercantile theory is no more. Its older portions, inhabited by French and English squierarchies, were sufficiently self-contained to acquire long ago essential characteristics

which sharply distinguish them from the Union to the South and which still form the bedrock of government. Newcomers, particularly the Scottish, have tended to accentuate these characteristics, which have created an autonomy almost precisely modelled on what would have satisfied all colonists prior to 1776. The British North America act of 1867, having been made under favourable circumstances, has flexibility and suitability to modern conditions, and is an earnest that be the difficulties ever so great the future will unroll smoothly. . . .

Canada has an equally unique position in her relation to the Far East which has always been well understood in China. Canada is not only the quick route to China and Japan (the distance between Vancouver and Yokohama being not much more than the distance between Liverpool and Cuba), but by its curious mixture of British methods and American ideas it has been possible for the Canadian Government to diminish, if not entirely to escape from the fierce racial rivalries which have embittered men in California. Yet Canada has the same Oriental problem, and withal possesses a far more delicate strategical problem than the United States. The coast region is an El Dorado for both Chinese and Japanese because of the richness of opportunity which it provides. There are 50,000 Chinese and 25,000 Japanese in British Columbia alone, and one of the difficult questions of the hour is how to limit this invasion without making the cure more harmful

than the disease. If the Chinese were eliminated, and their growing sympathy alienated, such grave losses would threaten the coast province that the quick route would be cut off. They do much to lighten the cost of living and to make shipping profitable; and the settlement which is almost certain to be made is a gentlemen's agreement which will throw the onus of stopping the invasion on China herself.

The activities of the Japanese are entirely different from those of the Chinese who haunt the cities and instinctively direct their attack on the stomach, and who are interested in nothing except profit-earning. The Japanese are primarily fishermen; they have made a monopoly of the salmon fishing and canning industry; and their exploration of river and coast has been so elaborate that they are believed to know the richly indented Pacific region more accurately than any one else. A naval writer such as Mr. Bywater, who compiled in 1921, such a highly interesting book on the Pacific at the moment when it was most needed should have brought more fully within his purview this question of the Northern Pacific. Had he done so, far from insisting on the overwhelming importance of the Western Pacific and seeing in Guam the key to naval mastery, he would have speedily understood that there was another aspect to the whole Pacific problem which requires to be studied in the region immediately adjoining the Behring Sea. Possession of Saghalien and predominance on the rich promontories on the Asiatic side, such as the Kamchatka





Peninsula which Japan is aiming at, recalls the fact that on the American shores there have long been Japanese activities far antedating the present movement in the Southern Pacific. There can be little doubt that the destinies of the continents fronting the Behring Sea are indissolubly linked, and that the chain of the Aleutian islands not only binds them together but gives birth to problems of high strategic importance. The recent lease of the Commander Islands off Kamchatka brings a Japanese outpost less than a thousand miles away from the principal American station in the Aleutians, Dutch Harbour, and seems to be part of a general plan which recognizes the political opportunities afforded by the mixture and possible conflict of British and American interests in the zone north of the 49th parallel.

For many years both the Canadian and American coasts north of the Straits of Juan de Fuoco have been exhaustively explored until Japan has settled where in case of necessity she could establish an impregnable naval base so wedged in as to be impregnable.

Quatseno Sound, one of the finest anchorages in the world, is that place. It is the key to the vast densely wooded island of Vancouver which has not yet been properly explored, and is strategically of the highest importance because it is located where there is practically no development. The seizure of Quatseno would place the entire line of Canadian and American Pacific ports at the mercy of the raider.

Canada and the United States are deplorably weak on the shores of the Northern Pacific, weak not in the subsidiary matter of fortifications, but in the all-important factors of modern strength. The absence of iron and steel works and the entire dependence of this zone on the Atlantic seaboard for many essentials isolates this great coast region and makes it a hostage in the hands of potential enemies. British Columbia, the Yukon and Alaska have been deplorably neglected by the two governments concerned and remain, even to-day, weak settlements which a strong power could easily dominate. The ease with which a policy of force has been carried out on the Asiatic shores of the Northern Pacific, where there are settlements of white men just as large if not larger than the settlements on the American shores, has been a matter of international concern. That in case of necessity the same policy could be applied to Alaska and British Columbia cannot be doubted by any who have studied the history of the past fifty years. The submarine and the swift cruiser have made it a political necessity to do something to remove a weakness which influences the whole problem of the Northern Pacific and gives it a doubtful aspect. While Canada has been as remiss as the United States she has less of a defence. Having expended vast sums of government money to give her trans-continental railways an outlet on the Pacific, prudence required long ago that national measures, inaugurated and guaranteed by the State, should quicken the development and opening-up of

Vancouver island and the British Columbia coast. As a counterblast to the negative policy of restricting the only people who have shown willingness or enterprise in this Far West—Orientals—that was essential before the world-war and is doubly essential now. With a Prime Minister in office as energetic and as well-grounded in the problem of Eastern Asia as Mr. Mackenzie King there is hope that the matter will at last attract attention, and the lack of initiative of past years be replaced by a well-thought out scheme.

## II

In the Spring of 1921 the question of Japan, after slumbering during the war-period, had become acute again in Canada not because of any growing feeling against the Japanese, but because Canadians had at length realized that with the possibility of war between America and Japan drawing nearer Canada could not but be directly involved. It was felt that so long as the British Empire was committed to Japan by a formal Treaty so long would it be impossible to be sure of the consequences no matter what reservations might have been made, both in the Agreement and in subsequent communications. Vancouver and Victoria, which are like windows looking out on the vast Pacific, thoroughly appreciated what the future might bring and showed particular interest in the facts as we construed them in China. Separated as British Columbia is by the formidable

barrier of the Rocky Mountains from the real Canada, all realize that a *coup de main* could be carried out here—and that there would be no means of resisting it. There were other matters inviting attention. The imaginary boundary running along the 49th parallel is a customs frontier but not a racial one. Popular acts would soon reduce to dust all political and diplomatic contrivances if any occasion arose; for whilst Canadians are first and last Canadians and are immeasurably proud of the fact, they are also Americans and would flock to the defence of North American territory no matter whether the flag floating over the area involved happened to be the Union Jack or the Stars and Stripes. All the discussion which had raged for many months regarding the advisability of a North American naval agreement had been prompted by this view which was so widely held that it was paramount; and although in the end the discussion proved abortive it was highly valuable as a sign of the times.

Three months off lay the question of the Anglo-Japanese Alliance which was to be decided at the Imperial Conference. What was Canada to do? Would it be possible to discover a formula which would neither shelve the matter nor have it said that Canadians were merely blind followers of American policy? Moreover, there was the matter of China to be considered, a matter of great future importance to the Canadian people—if their commerce was in the future to flow across the Pacific as it flows to-day

across the Atlantic. In all public discussion of this matter I was careful to have it understood that China was not inherently a foe of Japan's, but that so long as the old position taken up by Britain regarding the Far East was not abandoned, so long would it be impossible for China not to take sides with whoever was in conflict with Japan. In such circumstances to construe an offensive and defensive Treaty as a guarantee of security, when it ignored this prime essential, was deliberately to offend against the political wisdom which is supposed to be so conspicuous a quality in the English-speaking race. If war ever came in the Far East, the inevitable battle-ground would be China, as has proved the case in every clash during and since the Nineteenth Century. That China would strike sooner or later on her own account, and help those who helped her, was amply evident to those whose business it was to keep their fingers on the pulse of public opinion. There was a great outstanding account to be settled. It was madness to trifle with the issue any longer, or to decline to believe that great changes of sentiment had come. . . .

I found a gratifying response to these arguments.

### III

If in the coast region the matter was being anxiously discussed from the point of view of personal safety, elsewhere other factors entered into the problem. As you travel away through the majestic

## 40 AN INDISCREET CHRONICLE

scenery of the Rocky Mountains, past glacier-fed, green rivers, and dome-like heights, you at last debouch on the illimitable plain where that is a wider point of view. There is no longer the restricted arithmetic of exposed sea-ports: here now is the home of the nation in the making. In the prairie provinces and Eastern Canada more profound considerations were arresting concern. Men were debating the constitutional aspects of foreign policy and the implications of that policy. What share was Canada henceforth to have in British Empire matters? Was she to be treated with indifference, her acquiescence being taken as a matter of course; or was she to enter into full partnership? The question had seemingly been answered by the events of the war and in the making of the peace; for was not Canada a full nation from the very fact that she had signed the peace treaties? Canadians, however, are cool men and not easily led astray. They had already concluded that nothing which had been done under the stress and glamour of the war could be held permanently established. There was already some divergence of views regarding the nature of the periodic meetings between the British Cabinet and the Dominion Prime Ministers and the advisability of accepting such meetings without a clearer definition of their import. Did these gatherings constitute an Imperial Cabinet; or were they merely a Conference of Prime Ministers of the Empire, who met as a preliminary measure, and whose final acts would have to seek a proper sanc-

tion? In other words, did they become a consolidated Executive, or was each Imperial Conference merely a consultative gathering of responsible chiefs who must refer back to their own Parliaments all decisions arrived at? The question of centralization, so dear to every bureaucrat, was drawn up in battle-array against the principle of devolution and autonomy which is the people's buckler. And since English-speaking men will not long waste their time over political theories unless an immediate application is involved, two test cases were before the Canadian Parliament,—the question of separate Canadian diplomatic representation at Washington, and the precise attitude of Canada at the Imperial Conference in regard to the allied subjects of foreign policy and defence.

On the 21st April the first matter was taken up in the House of Commons at Ottawa sitting in Committee of Supply in a remarkable debate in which the constitutional relationship to the British Crown was examined from every possible point of view. Once more, was Canada a "nation;" if so, what constituted a nation; and how was nationhood within the empire to be fitly expressed? The Imperial Government had after much correspondence agreed that Canadian business with the United States had assumed such importance as to necessitate a Canadian Plenipotentiary in Washington who would be associated with the British Ambassador, and in his absence assume his duties. A vote had been duly

sanctioned the previous year to cover the necessary expenditure but there had been no appointment. Why? The official answer, that the office had not been filled because the government had not decided who was the best person to fill such an important position, was like most official answers not more than a half-truth. The adroitness of the British (Imperial) proposal that there should be a Canadian plenipotentiary stationed side by side with the British Ambassador, who would automatically assume his duties and responsibilities whenever necessary, seemed the main stumbling-block; but the position of the United States, confronted by such a double representation, and the complications which might very easily arise, was also plainly a matter of concern.<sup>1</sup> Nationhood *within* an empire clearly meant a multitude of knotty points *outside* the empire. It was not the relatively unimportant matter of a single appointment which loomed up ever larger as the discussion proceeded; it was the colossally difficult matter of deciding precisely where the British empire commences and where it ends. Something of the problem before men in the territory to the South prior to 1776 could not fail to rise in the mind of every listener of this debate. . . .

Interesting as was this discussion, it was surpassed by the extraordinary debate which followed only six

<sup>1</sup> It is significant that nothing has been done in this matter yet—a year and a half after Mr. Mackenzie King, now Prime Minister, then official leader of the Opposition, declared: “We ought to have something which will set forth in precise detail what are the rights, duties and functions of this particular appointee.” . . .

days later. Then, their appetites whetted with their previous inquiry, the Commons of Canada made an analysis of the nature of Imperial Conferences from the historical and constitutional viewpoint far more searching than anything ever attempted in England —a discussion designed to show that Canadians would not recede an inch from the position they had already taken up. Canada must retain complete control of all matters affecting her welfare; no new expenditures for naval or military purposes could be contemplated; it was highly undesirable to allow any change in the constitutional relationship between Canada and the Mother country. Great dicta emerged that day clearly and without contradiction. Every word said in Ottawa had an important bearing on the events of the next eight months. It was Sir Robert Borden, the War Prime Minister, who made the most brilliant contribution. In words which summarized the problem of this new State so well that they were like an endless succession of historical pictures, he unfolded the politics of the case.

"It may be worth while," he said, "in discussing the approaching conference and the representation of Canada, at that conference, to consider for a little the conditions out of which our present status has arisen."

And then following this remarkable analysis:

## IV

"The British Empire is, after all, a very modern organization in respect of both its vast possessions and the methods by which it is governed. I am informed by the Dominion statistician that the population of the British Empire, at the time of the Congress of Vienna in 1814, was computed to amount to 62,558,650 persons, and that at the present time it is estimated that the population comprised within the boundaries of the British Empire is no less than 445,-388,500 persons. I do not offer any figures as to the area of the British Empire, but I believe the area of the Empire during that period has increased very much in proportion to the increase of population.

"But it is as to the constitutional development within the Empire that I wish chiefly to speak, and I desire to emphasize the point that constitutional development within the United Kingdom itself has been as marked since the beginning of the Eighteenth Century as in this country. During the reign of the Georges the Government of the United Kingdom was, in form, but not in reality, based upon representative institutions. Only a small portion of the people were represented in Parliament. The majority of the seats were under the control of an oligarchy, most of whom had seats in the House of Lords. The Government was indeed responsible to Parliament, but the Parliament was not representative of the people. It was under this system that the American revolution took place, and I hope that our friends of the great neighbouring republic will sometimes remember that the Parliament of the United Kingdom at that time was not by any means representative of the people. It is a tribute to the respect of the British people for law and authority that these conditions continued as long as they did: and doubtless that continuance was in some measure due to the fact that from the middle of the Eighteenth Century to 1815 the Empire was

very frequently involved in war. As a matter of fact, democratic government did not come into effect in Great Britain until after the Reform Bill of 1832. It was followed by the reform enactments of 1867-1868, by those of 1884-1885, and finally by that of 1918. Up till 1834 in Great Britain ministers were regarded rather as servants of the Crown than of Parliament. Peel took office after Melbourne, in 1834, in the belief that Melbourne had been dismissed, and thus recognized his acquiescence in the constitutional principle that the King had the right to dismiss his ministers at pleasure. The events which followed Sir Robert Peel's acceptance of office marked a new departure in that respect. It is perfectly clear that the King has the constitutional right to dismiss his ministers, but only in the interests of the State, and not at pleasure, and only when the grounds for dismissal can be justified to Parliament, or to a new Parliament after dissolution.

"Now from 1791 we had in Canada, for more than fifty years, representative institutions on a broader basis than those of Great Britain, as the franchise was wider and more evenly distributed, but we had not responsible government. It is curious that the struggle in Great Britain was for representative government and in Canada for responsible government. In both cases the reform was not effected without disorders. From 1830 to 1832 there were serious riots in Great Britain. In truth, the Reform Act of 1832 effected a political revolution in Great Britain, but, fortunately, without civil war.

"We had the beginnings of responsible government in Canada in the early forties; Lord Durham's report laid the foundation, but some limitations which he advocated were soon swept away. The task was not accomplished without difficulty. British statesmen were convinced that responsible government was entirely unsuited to the colonies, and could not safely be applied to them. They freely predicted, and were perfectly sincere in their belief, that the grant of re-

sponsible government to the North American colonies marked the first stage of a movement which would speedily and inevitably bring about the disintegration of the Empire. It has had precisely the contrary effect, and the reason of this seems to me very plain. If there are errors in an administration controlled by the people of a country, the remedy lies in the hands of the people themselves, but if there are errors in an administration by a government controlled by the Governor or by the Colonial Office, the criticism turns upon the Governor, as an Imperial officer, or upon the Colonial Office in its administration of the affairs of the colony. Naturally, all this tends to weaken the tie which binds the colony to the Mother Country.

"I should like to emphasize the point that the movement for responsible government in Canada is the basis of the present constitution of the Empire. A group of free democracies, enjoying complete powers of self-government in their domestic affairs, and acting in close association with the Mother Country, has proved during the late war that unity is strongest when it is based upon freedom and autonomy. It is not unworthy of remark that the initiative in this movement came from this Dominion, and that their point of view has been fully recognized in Great Britain. . . .

"But there are, of course, the higher questions of foreign relations hitherto determined by the British Government as to which the Dominions in the future must have a recognized voice and influence. To that question, the Constitutional Conference, as provided by the resolution of 1917, must address itself. I am not so unwise as to hazard any prediction as to the method which will be adopted. I am, however, of those who believe that the voice of the Dominions will exercise an important influence upon the great questions which affect our foreign relations. Moreover, I am confident that this influence will be so exercised as to assist in the avoidance of treaties or understandings which might involve the

Empire in war. Indeed, at the present day, I think Great Britain might hesitate to engage in war against a strong public opinion in either Canada or Australia. Further, the voice and influence of the Dominions should tend more and more to turn the attention of British statesmen to the enormous task which confronts the Empire in the governance and development of the vast possessions which are included within its limits. I speak entirely for myself in the observations which I am addressing to the House, but I may say that personally I should regret to see the Empire engage in difficult commitments, whether in Eastern Europe or Western Asia, or elsewhere. We have quite enough, and perhaps more than enough, on our hands at present. . . .

"Honourable Gentlemen who have made themselves acquainted with this subject will recollect that at the Imperial Conference of 1911 there was a meeting of the Committee on Imperial Defence which the Dominion Prime Ministers attended and at which vital questions of foreign policy were very fully discussed. Mr. Asquith, in the concluding stages of the conference, spoke of the Dominion ministers as having been admitted to the *Arcana Imperii*.

"The status of Canada at the Peace Conference, and afterwards in the Labour Conference at Washington and in the Assembly of the League of Nations at Geneva, has already been discussed, and I shall speak of it only for a moment. Much ingenuity and logic have been displayed in pointing out the anomalies of the situation, and in declaring that nothing has been accomplished in advancement of status. The best answer can be given by reference to the high position which Canada took, through its representatives, at Washington in 1919 and at Geneva during recent months. There has been much alarm that the representatives of Great Britain and the Dominions did not on these occasions always see eye to eye on minor questions. There would be much ground for criticism, and even regret, if the result had been other-

wise. We should be in an utterly false position if we were expected to re-echo on all occasions the opinions of the representatives of the United Kingdom: Our points of view are not always the same as our conditions differ. On essential questions of policy I agree that there should be a united front—not of the United Kingdom alone but of the whole Empire—established by previous conference and consultations. There are those that are apprehensive of the consequence of the exercise of wide powers not by the Mother Country but by the Dominions, and they would do well to remember that the constitution of the British Empire (if it can be called a constitution) is based largely upon usage and convention. It would be practically impossible in any of the five democracies of the Empire to carry on Government which continually exercised its powers to the utmost extent. . . .”

## V

In this frank and illuminating way did the Prime Minister of the war-period state his case. His scholarly remarks were not meant to be critical but introductory; and they in fact could do little to muffle the thunder of the rising storm. There was revolt in the air on that cool April day, a revolt due both to questions of general policy and the long continuance of a coalition government which no longer corresponded to the will of the electorate.

At an early stage in the discussion Mr. Mackenzie King, Leader of the Opposition (now Prime Minister), moved the following amendment:

“That the House while recognizing the propriety of Canada being represented at any Imperial Conference or Conference

of the Prime Ministers of the Empire that may be called, desires to record its opinion that at the coming conference no steps should be taken involving any change in the relations of Canada to other parts of the empire: and that in view of the present financial position of Canada, no action should be taken implying any obligation on the part of Canada to undertake new expenditures for naval and military purposes."

Mr. Meighen, the Prime Minister, the net of opposition closing round him, sought to extricate himself from a difficult position by insisting on the precise and limited agenda of the coming Imperial Conference, which, in his opinion, by no means justified the remarks made and only included preparation for a special constitutional conference, a general review of foreign relations so as to fix policy, and the question of the Anglo-Japanese Alliance. "This last is a subject of great and definite moment," said Mr. Meighen in sudden solemnity at 5 o'clock on the afternoon of the 27th April, perhaps little suspecting that he was uttering words which forecast a definite change in the relations of the English-speaking peoples. Other members rose to the remarks. "The only great subject taking the Prime Minister to London was the Anglo-Japanese Alliance," they declared. The cat was out of the bag and it would be impossible ever to put him inside again! For here a member, who deserves to have his name permanently recorded, Mr. Lapointe, interjected an interrogation which two months later burst like a

powerful bomb and shattered the Imperial Conference and all its plans.

"May I ask," he inquired very politely, "before my right honourable friend leaves the question of the Japanese Alliance, if it is his intention to insist that a clause be inserted in the Treaty, if renewed, of the nature of the clause which was embodied in the British-French War Treaty—that it will not be binding upon Canada without the approval of the Canadian Parliament?"

His right honourable friend, too expert a parliamentarian to be so easily trapped, retreated, boggled, advanced. Here are the exact words since they have permanent importance:

"**MR. MEIGHEN:** The very fact that we are called to a Conference that reviews that subject indicates that Canada has the right of assent or non-assent. As to the extent to which we are bound in case war actually takes place, that is another question. We have the power of approval or disapproval. The question of what results from either course I do not propose to enter upon now.

"**MR. LAPOINTE:** The treaty will not be binding upon us without the approval of the Canadian Parliament?

"**MR. MEIGHEN:** I say we have the power of approval or disapproval. Anything that I might say as to how far it is binding or how far it is not binding if we do not approve would be very easily misconstrued, because there are innumerable circumstances that may follow. But the general power of approval or disapproval involves that if we do not approve, then so far as it is not possible to be bound as part of the Empire we are not bound.

"MR. LAPOINTE: Why was such a clause inserted in the British-French Treaty if it was not necessary?

"MR. MEIGHEN: There may be such a clause in that Treaty; but my honourable friend seems to think that I should be prepared to make a statement as to what conclusions should be reached after the conference. I presume if there is such a clause in the British-French Treaty it might be appropriate to insert one if a similar treaty is made in this case."

So did the passage-at-arms abruptly end. The net result was, however, quite plain. The Prime Minister had been instructed, in spite of himself, in the subtle parliamentary way which has no counterpart in other walks in life; for here was the sentiment of the Canadian people disclosing itself. Soon another member from Quebec, speaking in French as was his constitutional right, declared in unequivocal language, "*Dans les hautes sphères britanniques on pense à se servir du Canada partout et en toute occasion comme matériel de guerre.*" Canada mere war material! Then he added in prophetic vein that the time had arrived for writing a corollary to the Monroe Doctrine,—a man must be found who would imitate Canning by securing a consolidated American-Continent policy towards the problem of the Pacific and of Japan. . . .

The debate went on, lasting far into the night. In the small hours the House divided on the amendment of Mr. Mackenzie King which was negatived by 96 votes to 64. But that was only the parlia-

mentary appearance of things. In reality it had been carried—carried not only here, but in London and throughout the Empire. . . .

## VI

Here under the blue skies of a Canadian Spring China was at last finding the ally she had so long searched for. The great and growing agitation regarding a matter which had such a vital bearing on Chinese freedom could only have one end, if matters were pushed to their logical conclusion. That China could no longer be counted on as a passive factor, but would on her own account find ways and means to take action against those who derided her, was an element which prudent statesmanship could not ignore whilst there was yet time to consider it.

In a personal interview with the troubled Prime Minister I enlarged in great detail on these aspects—and disclosed what we already knew in Peking,—that tentative drafts of a renewed Japanese Alliance were already in existence. The pale, tired face of the man who by his personal integrity broke England's arrangement with Japan quickened with interest. Faced as he was with a spirit of revolt at home, that did not turn him an instant from the true quest of statesmanship,—national security based on permanent and just solutions. Mr. Meighen was instantly aware that here was a matter which derived its importance from its many-sided and far-

reaching implications which had been hitherto ignored. The wooded heights of Ottawa took on a new aspect; for Canada by the magic of destiny was being called to action in a matter which concerned a region hitherto as unrelated to her political destinies as the Antipodes. Mr. Meighen, his keen mind already on the alert, no doubt made a momentous mental decision. The Anglo-Japanese Alliance and what it had done to China's harm acquired a new flavour. It was not enough to show the harsh military results of the Agreement: it was essential to dwell on the political and fiscal immorality which reduced China to poverty and governmental weakness under the specious plea of international security. Being invited to set forth the facts in a Memorandum, the following is an exact copy:

#### MEMORANDUM—CHINA AND THE ANGLO-JAPANESE ALLIANCE

“The steps China has taken in regard to the renewal of the Anglo-Japanese Alliance are rehearsed in the copy of the press communiqué she issued in June last year, which is annexed hereto. China, having no status in the matter except as a protestant, could not raise the essential point in her communication—that any renewal of the Alliance would be considered by all China as an endorsement by Great Britain of all the wrongs Japan inflicted upon her during the war, and also a deliberate endorsement of the admittedly outrageous Shantung clauses in the Versailles Treaty.

“It is well at the very start to grasp these points thoroughly, since whatever decisions are arrived at at the Imperial

Conference will infallibly be measured by the Government and the people of China by this yardstick.

"The writer is unable to say officially whether the sketch of the four modifications in the Treaty, copy of which be handed the Prime Minister, is accurate or not, as they only reached the Peking Government as a confidential communication, reporting informal conversations. But the probabilities are that they are accurate in the main. We know that a London Foreign Office Commission, including Sir John Jordan, recently British Minister to China, has been sitting for a year engaged in a study of the Treaty. Obviously by now these 'studies' must be embodied in a draft, and this appears to be the document of which we have received a telegraphic sketch.

"So far as the ostensible aim of the Alliance is concerned—namely to guarantee peace and security—the proposed new agreement will be just as ineffective as the three preceding instruments. In fact the only possible character it can possess is that of a fighting compact, a military document, to be invoked when it suits the senior partner, Great Britain. And because beneath its smooth phrases the alliance possesses precisely this quality, Britain is forced to allow Japan to recoup herself for the risk involved to her own polity by spoliations carried out in China.

"This point is thoroughly realized by the Peking Government, who know that their principal enemy is *not* Japan, but British policy, which for twenty years has declined to infuse morality into its consideration of China's political future.

"The chief and indeed the only reason for the Alliance in the past has been the weakness and ineffectiveness of China as an international factor. The first steps which would be taken were China a European country instead of an Asiatic country would be to find the seat of the trouble. And because of the importance of this point the writer would ven-

ture particularly to bring to the notice of the Prime Minister what he is quite sure is the source of China's difficulties which ought to be considered at the Imperial Conference if that conference desires to safeguard peace on the Pacific—and to do away with the possibility of war between Japan and the United States.

"The principal weakness of the Central Government in China is that it is debarred by the commercial Treaties from increasing the Customs tariff, indirect taxation being the only really profitable taxation in a country where the standard of living is very low and where it is impossible to make other levies without riot.

"At the present moment the Chinese Customs tariff is the same as it has been for 80 years, i.e. based on a nominal 5% levy (which in practice, owing to rise in values, is not more than 3% or 4%) and which produces annually not more than \$80 million Mexican or say Gold \$40 millions. This ridiculous sum, which is exactly one-quarter of what Canada gets from her tariff, is entirely absorbed by the service of the foreign debt—nothing is left for the government which must rely on the salt tax, railway surpluses, stamps and wine and tobacco taxes for its upkeep and existence.

"No attempt has been made for 20 years to deal with this matter.

"The continued absence of funds is the source of all trouble in China, no government being able to exercise authority unless it disposes of adequate revenues. The palliative which Western nations have offered is entirely wrong, to form a banking Consortium which will lend money so long as it is granted monopolistic rights. China requires to be prevented from borrowings not assisted. If she accepts bankers' terms she would to-day be given money in quantities and another Turkey created. That is the position.

"What she really needs is an emergency Tariff, which will

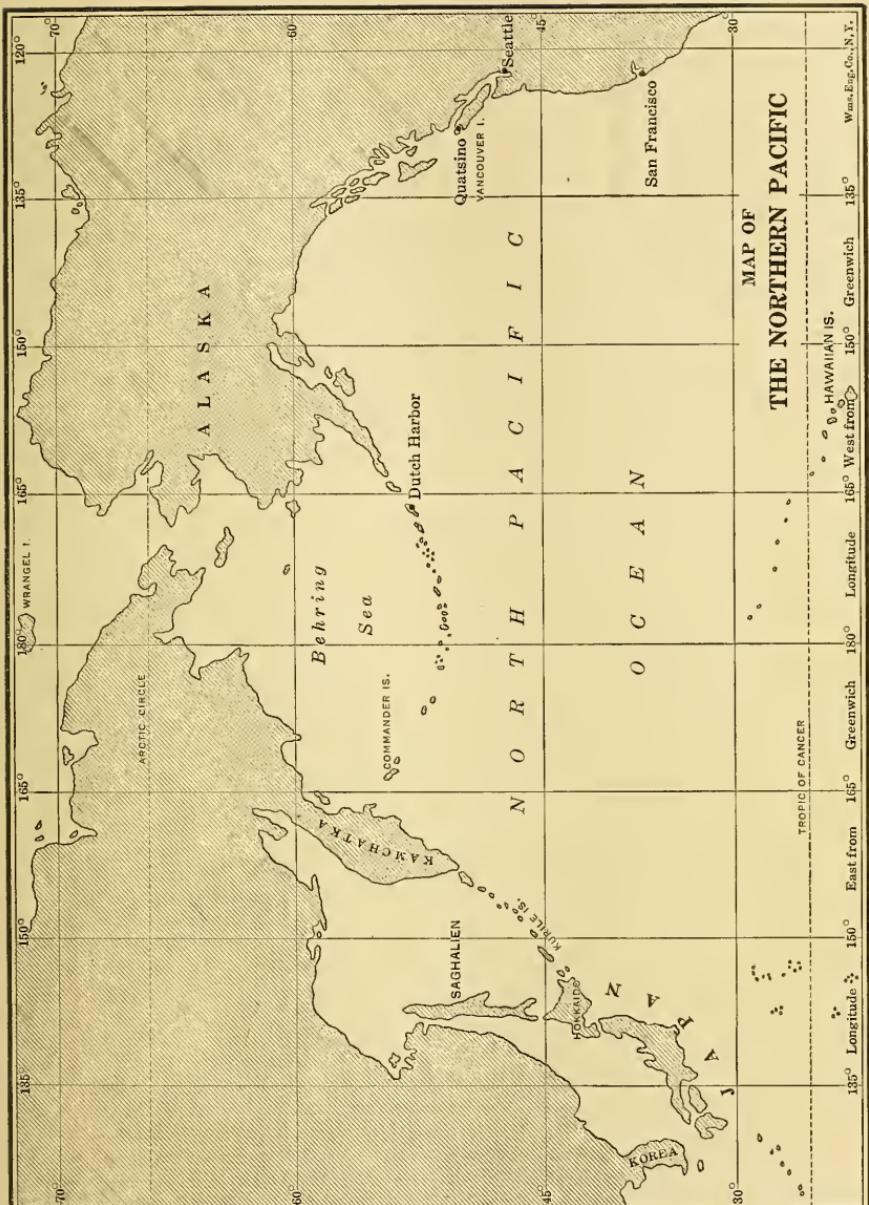
give her double the Customs revenues she possesses to-day. With that money in hand a commencement would at least be made towards consolidation and reform.

"This is a subject which can be fitly considered in connection with the problem of the Anglo-Japanese Alliance; for Japan is the one Power that would certainly block such a reform indefinitely unless there is direct British pressure—and the only time Britain can exercise effective pressure is at a moment such as the present when Japan is seeking renewal of her British understanding in any form that Britain will grant.

"The second point which can be equally well considered at the Imperial Conference is the settlement of the Shantung question. In view of the Chinese contention that any fresh understanding with Japan this summer will in effect be a British endorsement of all Japan's action in China during the war, it seems elementary prudence to solve the Shantung issue and thereby get China's signature to the Versailles Treaty. What will satisfy China is this:

- "(1) Evacuation of all Japanese troops from Shantung,
- "(2) Handing back of the leased territory of Kiaochow,
- "(3) Sale of the Shantung railway to China, after independent valuation, and uniting this road with the Chinese Government railway system, Japanese being retained in technical posts in the same proportion as on the British-built railways in China (Peking-Moukden railway, Shanghai-Nanking),
- "(4) Creation of a port authority at the port of Tsing-tao, under the chairmanship of the local commissioner of Customs, with all docks, piers, etc., lately German Government property, paid for by bond issue as in case of Port of London authority and controlled by the local board.

"These four points will solve the Shantung question and diminish the possibility of war in the Far East to a very





considerable extent by removing a great portion of the present Chinese passion.

"In the opinion of the writer the only two urgent matters in regard to China are the tariff and Shantung, and a just handling of them at such a juncture as the Imperial Conference will give an entirely new colour to the International situation, and check the disturbing tendencies which are rapidly growing.

"It will certainly arrest the Turkification of China.

"It will have a powerful influence on American opinion, which unites with Chinese opinion in nearly all matters the writer has discussed.

"Moreover, if instead of a dangerous document such as Alliance Treaty, any commitments Britain and Japan care to enter into on the subject of defence are covered by the exchange of notes, which can be voluminous or terse, explicit or general in character, then the precedent made by the United States herself, in the case of the Lansing-Ishii Notes of 1917 will be followed, and a vast amount of the present American suspicion and anger done away with.

"If, on the other hand, stereotyped diplomacy wins the day and a new Treaty of Alliance is signed (modified but still retaining its old character), this is what will happen.

"China must seek a rapprochement with the United States and offer her naval bases on her coasts together with any other concessions she may desire.

"Already there is a naval scheme drawn up called 'The defence of the Gulf of Pechili scheme' which is under consideration, and is designed to protect the approaches to the capital, Peking, pending American mobilization. This document, which is strictly confidential, is annexed hereto.

"A new Treaty of Alliance between Britain and Japan would also force China to avail herself of the constant offers of help she is receiving from Russia. Such a Treaty of alliance would tend indeed to drive China in the direction of

Persia and Afghanistan, both of which countries have found that they obtain more consideration from the Soviet Government than from Britain.

"Finally, there is this to be remembered. No treaty can be called a Treaty of Alliance unless it can be invoked against some one. Even if the new Treaty is so worded that it exempts Britain specifically and absolutely from participation in an American-Japanese struggle, it will have to apply against China if she throws in her lot with the United States. And thus sooner or later it would in effect bring Britain and the United States into collision with one another, first on Chinese soil and then by natural processes everywhere on the Pacific.

"This Memorandum, though written hastily and without notes, gives a true view of the situation as it actually exists."

4th May, 1921.

## VII

The interweaving of Canadian and Chinese destinies proceeded apace. I found that Mr. Mackenzie King, having had personal contact with China, was exceptionally well posted. The whole question of peace on the Pacific interested him profoundly; and particularly the omission of China from all consideration as a possible war-factor.

I emphasized in a new way how the matter would work out—if there was no change. With the map as a background we considered war.

The Preamble of the Japanese Alliance stated clearly that the object of the Treaty was:

"(a) The consolidation and maintenance of the general peace in the regions of Eastern Asia and India:

"(b) The preservation of the common interests of all the Powers in China by insuring the independence and integrity of the Chinese empire and the principle of equal opportunities for the commerce and industry of all nations in China:

"(c) The maintenance of the territorial rights of the high contracting parties in the regions of Eastern Asia and India and the defence of their special interests in the said regions."

The special interests of Japan in Manchuria and Mongolia had been acknowledged by the United States four years before in the Lansing-Ishii notes by the hitherto unknown political doctrine that geographical propinquity creates special interest.

In the event of war with America Japan would certainly act with a high hand in Chinese territory in order to provision herself. Thereby she would provoke reprisals—certainly in Shantung if nowhere else. Article II of the Alliance could then be invoked by Japan against China just as it had been invoked by Britain in August, 1914, against Germany in China, namely:

"If by reason of unprovoked attack or aggressive action wherever arising on the part of any Power or Powers either high contracting party should be involved in war in defence of its territorial rights or special interests mentioned in the preamble of this Agreement, the other high contracting party will at once come to the assistance of its ally, and will conduct the war in common and make peace in mutual agreement with it."

British action would perforce have to be both naval and military. How could she continue to preserve

peace with the United States, as she was entitled to in spite of the Alliance by virtue of the arbitration clause, Article IV, of which the so-called Anglo-American Peace Commission Treaty of 15th September, 1914, was the pendent, having been construed as an arbitration Treaty, if America gave aid and comfort to China—and officers and munitions? And what in such circumstances would be the fate of Canadian territory, with all the ex-soldiers of Canada influenced by geographical and racial propinquity pouring in tens of thousands into the United States to assist her?

There was only one answer.

The Anglo-Japanese Alliance, as it stood, was a symbol of the break-up of the British empire. Standing half-way between Britain and the United States, Canada in peace-time could be something more than a mere interpreter of the sentiments of one people to the other: she could interpose without danger in contentious matters because she could speak the political dialects of both countries like a native. But with such a war, begun in such a way, with such a race as the Japanese as Allies, one date covered the situation.

1776. . . .

## PART III

### THE UNITED STATES MAKES A FIRST STEP

#### I

If Canada was faced by a dilemma, the United States was in a worse quandary. Here was a country at the political cross-roads with nothing to assist her but a dim feeling that she must take such unusual action that in the end it would constitute a clean break with the past and draw her towards uncharted seas and monstrous precipices. Committed to a vast expenditure in naval construction as a heritage from the war, she was still more emphatically committed by the will of the people to a new policy of peace and retrenchment. How were the two to be reconciled?

It was possible to pick up in the United States a feeling of apprehension absent in Canada. In the Spring of 1921 Americans who followed foreign affairs were overcome by those vague premonitions which precede the birth of great things. That something must be done to prevent navies from being piled up and policies blindly persisted in until the inevitable crash came was strongly felt throughout the country. Canadian action had begun to be spoken of as an important element, but there was still

no means of knowing whether it would really have a decisive character or merely prove a palliative.

It was the affair of the new Secretary of State, Charles Evans Hughes, to make up his mind on these issues, so that the Harding Administration would at least start on its way with foreign affairs no longer tied in a Gordian Knot. Tall, quick and intelligent, with a magnificent head and still more magnificent teeth, it seemed at first sight as if here was the very person to rend all enemies like a mastiff. But Secretary Hughes, standing still, with his arms hanging loosely beside him, disclosed imperfect knees, and small feet—two dangerous characteristics in a man. They mean a proneness to the influence of others; a tendency to accept formulas without proper inquiry; an absence of true conviction. Men's legs are more important as a political indication than their hands and heads, and should always be attentively studied. Although there was no doubt that the new Secretary of State could do a great deal with specific facts. Thanks to his legal training, it seemed doubtful whether he could push along a whole group of policies unless he himself were propelled from behind.

There was, however, one good point already clearly marked. After being only two months in harness, he had already discovered that so far from being able to negotiate on any matter affecting the Far East, the Anglo-Japanese Alliance inevitably proved a hopeless barrier. The reservations and qualifications

which he constantly came across had made him understand that it was not only the major obstruction but a most dangerous weapon. The Pacific question, vital to the United States long before there had been any question of naval competition with Japan, had been immensely complicated by the events of the war. The position in the Philippines was unsafe; the position in the Hawaiian islands was weakened; and as for the policy of the Open Door in China even a tyro could recognize that it was merely the integument of a moribund hope.

Washington was embarrassed. There was embarrassment at the White House, there was embarrassment at the State Department, there was embarrassment at the Capitol. Highly interesting indeed was this perplexity in conjunction with the impending stand of Canada. Here was a matter vitally affecting the whole future of the United States coming up for decision in London, and yet not a word might be publicly said about it without outraging the diplomatic conventions. Never had there been a greater political irony than this: that after years of most intimate war-dealings between England and the United States, calling for complete frankness in naval and military affairs, the major commitment governing the relationship of the two throughout the Pacific was to be reviewed in pseudo-secrecy.

Fortunately the men who invented the United States were men with some knowledge of the necessity of stiffening government and pegging out its

course of action by a distribution of authority so designed that no person would carry more than he was fit for. The Senate, for instance, was already highly concerned. The Annual Navy Bill was before it: either vast increases in expenditure must be faced or else some new contrivance thought out to halt the onward momentum of this Juggernaut's Car. . . .

Senator Borah formed at that moment another illuminating comment on the nature of things confronting the new administration, and of the machinery which had to be set in motion to undo the harm of the old administration. Short, massive, his hair brushed back in a leonine energetic mane from a clean-shaven face, the Senator from Idaho, whether sitting down or walking hurriedly away, seems a man obsessed with the necessity for action. Placed at the head of the Inter-Oceanic Canal Committee, he was giving thought for the morrow in the matter of the sea. Here he was in the middle of May with his mind made up that the Navy Appropriation Bill alone afforded the opportunity to raise the issue of the Pacific with England and Japan.

It was plainer every hour that the elements in an involved situation were being gradually marshalled in such a fashion as to preclude evasion. I found in discussion with Senators a curious and interesting viewpoint. Whereas Canadian statesmen were afraid that no matter what care might be taken with a new Japanese treaty, it would sooner or later lead to a

violent disturbance of a century-old peace on this North American Continent, this was by no means the main concern in Washington. American statesmen held it urgent and humiliating that the Philippines, after having been an American possession for a quarter of a century, virtually lay in the hollow of Japan's hand. The islands north of the Equator were in their eyes so many bases to destroy their communications; that British action tended to endorse this state of affairs seemed to them deeper and more sinister than anything in any other part of the world.

The Foreign Relations Committee were united about this. From Senator McCormick I received in an illuminating sentence a true definition of the matter. "England and Japan can no doubt make a Treaty acceptable to the American Government," he said in words which were broadcasted through the agency of the press, "but they can make no treaty acceptable to the American people; and as it is the American people who in the last analysis decide things you can draw your own conclusions."

And as if to point the particular moral, Senator Lodge, the Chairman of the Committee, destined half a year later to be the grave-digger in the piece and to utter the public lament over poor Yorick's skull, added: "It would be well to remember that if the interests of a great empire on the other side of the water are involved there is an equally great empire on this side to be considered."

The great empire of the New World, cut off by the boundary of the ocean and destined no man knew how! These senators were men of the same continent as the right honourable Arthur Meighen, Prime Minister of Canada, and Mr. Mackenzie King, the official leader of the Opposition; and it was inevitable that in many situations they should put on the same spectacles.

## II

There was another matter which also entered into the problem. The personality of the new President was just as much a factor as his campaign pledges. He was pledged not so much to destroy the policies of his predecessor as to recover the norm of American political life. Normalcy—that was the word. In actual practice the solution might amount to much the same thing: but the fiction of a new kind of constructive action had at least to be preserved. In his first message to Congress spoken only two months before he had very patently hedged; for if he would have no part in the European League of Nations what was his association of nations which he had in mind to preserve the peace of the world? The signs of disapproval in his electorate had been so manifest that the problem would have to be tackled with the utmost caution.

He could not remain blind to the steady drift towards the inevitable solution. That the naval handle was the only safe one to grasp was increasingly evi-

dent; for even before he had been installed as President there had been a Senate recommendation to call a meeting with Britain and Japan. But was the navy really everything and did not an American meeting with two Powers already bound by an iron-clad treaty signify entering the conference room faced by an insurmountable handicap? The matter was an ever-increasing source of worry and anxiety. A false move at the beginning of the term was the last thing to contemplate. To the wise man (and President Harding is emphatically wise in his cautiousness) the electorate is forever there; watchful, suspicious, irrational in a sense, yet with the mass instinct for safety developed beyond every other instinct. Safety first is not merely a conventional slogan; it is the command of the people everywhere—the basis of the modern life, the very groundwork on which we stand. To place safety where it belonged in this very involved problem was no light matter.

But just as in the debates in the Canadian House of Commons I had somehow received the impression that in some undisclosed way Americans were luke-warm to the idea of a Canada which would treat with them on terms of diplomatic equality, so now did I perceive that the rôle Canada might play was measured differently from what one might have expected. It seemed that it was not enough that one section of the British Empire should want to control in a reasonable way foreign affairs, even though the particular issue might be handled to the advantage of the

United States. What was frankly desired was the wholehearted conversion of Britain—a modification of policy so profound that the matter of Canada would be a mere detail, the great thing being the frank abandonment by Downing Street of a whole web of formulas built up on age-old foundations.

For what was the secret behind the powerful advocacy of Premier Hughes of Australia in favour of the Japanese? What forces impelled him; was he merely the mouthpiece of others who astutely used him to mask their own plans?

I found in every one's hands printed copies of the lengthy and very carefully considered speech made by the Australian Premier on the 7th April in the Federal House of Representatives at Melbourne. It had been distributed thoroughly. The matter had significance. He had said, "Our idea at the conference is a renewal of the Anglo-Japanese Treaty in such a form, modified if that be deemed proper as will be acceptable to Britain, to America, to Japan, to ourselves."

But this was a thing beyond human ingenuity even for statesmen in the antipodes: incidentally it disregarded China as completely as if that country did not exist. Perhaps it concealed an artifice so elaborate that the Washington Monument would rock to earth with its glory tarnished. . . .

The Secretary of State with the magnificent head plodded on methodically trying to disentangle such matters as the control of the island of Yap and the

right of America to put up wireless stations in China on terms of equality with the corporations of other nationalities. Conversation with him showed that he was fully alive to all the possibilities of the situation. His chief weakness was what he had inherited from his predecessor. A tradition of flabbiness is the hardest of all traditions to banish. The State Department was still as flabby as a wet pancake.

It was at the Senate that the real drive was to be found. The man with the leonine mane kept his eyes fixed steadily on the main objective. With his powerful, persistent, sledge-hammer oratory Senator Borah beat down opposition and worked towards his formal resolution. One trump card the United States held so admittedly that the game of the others was in her hands. The dollar, after many ups and downs, had become the irresistible factor not in international commerce (because here the right tradition was absent), but as a national battering-ram when others wanted to batter. For every dollar spent by other nations America had the gold which would enable her to spend a hundred. It required but the simplest calculation to show that the naval game of beggar-my-neighbour was really over. This fact having been admitted by the premier sea-power, Britain, it stood to reason that the others would be dragged along directly the machinery moved and the gears enmeshed.

## III

Definite, however, as the naval plan was now becoming the array of difficulties so far as China was concerned was by no means lessened, nor were the prospects materially improved unless totally new counsels won the day.

Difficulties—their name was indeed legion! They had been accumulating through inept diplomacy at a terrific rate. Like float-ice moving endlessly down a river, they had at last piled up in a solid barrier which was constantly being added to. Heroic measures were needed to free the stream of international relations from this grave peril. Unfortunately for China the age of heroes had seemingly passed. We live in a prosaic era when the brightest invention is the transparent game of “passing the buck,”—which means avoiding responsibilities in a rather cowardly way.

The United States had so recently missed one of those supreme opportunities which a statesman of imagination would have leaped at that it was hard to be very optimistic. Just as in the case of the Suez Canal shares, the investment of a relatively speaking unimportant sum was made a masterstroke, so could the prestige and credit of the United States in China have been secured forever by seventy-five million dollars in cash. The amateurish handling of the invitation to China (among other neutral Powers) to associate herself with American action in the war was

a matter which had piled up such a debit that—independently of the Japanese issue—years of conscientious effort could alone work it off. China, still in the most difficult and painful stage of evolution from a provincial barter and bullion system to the cash and credit system of the West, had been at the mercy of the world's money markets for twenty years. The yard-stick with which everything had to be measured, not because the Chinese were corrupt but because they were rapidly becoming just as other nations, was cash and credit. In a community immobilized by the weight of the economic revolution, money alone could produce swift results. The issue was paramount to an extent which can be understood by referring to the economic history of the world at the close of the Napoleonic wars. Here in a capital stuffed full of gold and silver bullion, lying at a stone's throw from the executive offices, it seemed incredible that this essential matter had never been rightly understood, and that the business instinct of Americans should have so profoundly erred. The breakdown of the Chinese Government in 1917, the temporary ruin of President Li Yuan Hung, the attempted restoration of the Manchus, counter-movements, confusion, camarillas, and Japanese predominance, all were due to the Government of the United States which had set in motion by its deliberate act forces which it refused to control.

Now that after four chequered years we were getting back to first principles, the deadweight of the

problem seemed very great; for under the Lansing-Ishii Notes there was a commitment of a serious character which existed independently of everything else. And here it is best to tell the true story.

## IV

In Peking I had often discussed with President Li Yuan Hung questions of foreign policy and the conception of the United States as the palladium of Chinese liberty. The gradual strangulation of the Chinese Government, owing to the American failure, had made us more and more pessimistic. The country became prey in 1917 to violent propaganda. By May of that year we had obtained secret information that Japan had determined to take up directly with the United States the question of the Pacific, making a desperate effort to secure the withdrawal of the American Asiatic squadron as a preliminary to establishing the so-called Japanese Monroe doctrine for Eastern Asia. I was asked to proceed to America so as to convey a warning and get consideration of the vital facts.

Unfortunately Government in Peking so completely collapsed that there was much delay. Fate willed that I should sail from Japan on the very same day in July as the Ishii Mission which was expected to complete the work of the Twenty-one Demands by publicly eliminating the United States from the Far East. The quick Canadian route placed me in

San Francisco days before this fateful mission had arrived. The anxiety of a government that had chained itself almost completely to empty formulas was now apparent. There was an official reception Delegation under Assistant Secretary Breckenridge Long waiting anxiously in San Francisco for the first indications of what might be expected. Was the real object of the Japanese *démarche* nothing less than American naval evacuation of the Pacific and the acceptance of a new financial formula which would place the financial leadership in China in Japan's hands? She needed these two last things to have China completely at her mercy. What was to be done to ward off such a determined assault?

Two days later the Mission arrived. I can still see the surprised faces of the Japanese officials as they arrived at their hotel after the official reception. Soldiers had been so thick on the ground that the Japanese must have wondered why Homer Lea in his remarkable warning, "The Valour of Ignorance," which was than still being read, had declared that California and the territory west of the Rockies lay in the hollow of Japan's hand. Nothing but troops and camps, and camps and troops. America was not only arming but showing her men. The official reception committee worked without ceasing; and any idea of getting the United States to accept the general scheme which had eliminated the British fleet east of Singapore must in face of this demonstration have been quietly dropped by the Japanese Mission.

into the bay of San Francisco twenty-four hours after they landed.

In Washington, a month later, I found that the situation was one of stalemate. Viscount Ishii had been there for several weeks, imprisoned by official dinners and receptions. Some of which had been shocking failures. Curious inspired articles were beginning to appear, hinting that although he had specially come to America to discuss important business no opportunity was being afforded him to do so. Japanese discontent was plainly rising in face of the tactics adopted. There had already been an incident. Invitations had been sent to attend a special review of the American fleet in honour of the Mission. As Viscount Ishii had not answered the invitation a State Department official was sent to see him and ask him what he proposed to do. He found Viscount Ishii in a bad humour. The meaning of this excess of entertainments and armament displays was beginning to penetrate Japanese consciousness. "My naval and military staff will go with pleasure," Viscount Ishii declared, "but is it necessary for me to go?" "Certainly not," urbanely replied the Department official, "but the Secretary of State is going." Viscount Ishii paused, and then quietly accepted.

At the naval review the Japanese were shown capital ships in battle array amounting to twice their own 1917 fleet, not to speak of many other vessels. The Secretary of the Navy apologized for the comparative absence of torpedo-craft, as there were

forty-five destroyers off England assisting the British navy,—quite a subtle little thrust for Secretary Daniels. At the end of the day the Secretary of War added a final friendly declaration suitable to allied and associated Powers in the form of a warning not to suppose that the American navy was going to monopolize all American attention. During future years the American army would always have five million trained men at its disposal to support the action of the fleet; for all these millions being called out by the draft would be available.

Yet, in spite of this byplay the position was not reassuring. Secretary Lansing was characteristically more concerned with the position in Russia than in China—because that just then seemed more distant. Both he and President Wilson were interested in discovering whether the Korniloff-Cossack movement could overthrow the Kerensky régime—not whether China was to be a Japanese *enclave*. They had remarkable ideas concerning the Cossacks, whom they looked upon as an enormous military force belonging to a race entirely different from the ordinary Russian. Europe was also proving very annoying. The Italian Ambassador wanted one hundred million dollars to save Italy from collapse. He was refused. Less than two months later I had the ironical satisfaction on the Pacific to listen to the American wireless station at Dutch Harbour in the Aleutians flash the news of Caporetto: with the further information a day or two later that the United States Govern-

ment was advancing Italy one hundred million dollars. . . . If it needed a first-class disaster to get common sense in European affairs, it can be left to the imagination what must happen to China before anything is done.—

Viscount Ishii constantly postponed his return to Japan, declaring quite openly that to do so would place the Military Party at the head of affairs and precipitate the gravest occurrences. He went to Philadelphia and made a speech about the Liberty Bell—a droll subject in all truth for a bureaucratic Japanese. Then he went on elsewhere, always becoming gloomier and gloomier. In New York he finally instructed his private secretary to pay a certain confidential visit with very confidential words.

President Wilson at length sent for him. After three drafts of the proposed agreement had been worked over, the fourth one was accepted and signed on the 2nd November, Secretary Lansing weakly accepting the Japanese definition, that “special interest” did not mean paramount interest, and not troubling himself about the essential point—the question of interpretation. As neither the naval nor the financial issue had come up openly, and the doctrine of geographical propinquity had been balanced against the open-door and equal opportunity in Manchuria, the Wilson administration pretended to attach no importance to the notes which were in any case merely an additional postscript to the old and well-established policy of evasion.

From the Asiatic point of view the whole transaction was another phase of that year's surrender.

## V.

The last paragraph to this business was written next year—1918. Washington at last became dimly aware from the flood of loans Japan was pouring into China that a fearful blunder in tactics had been committed. The administration uttered a cry of alarm which reached the cliffs and caverns of Wall Street. Instead of rising to the occasion, New York bankers, after profound deliberations, came back with precisely the same formula which had proved abortive for them five years before, and which, incidentally, was the formula of their Chinese currency Loan of 1910 for fifty million dollars which has never been anything but a project. The international Consortium, from which they had been told solemnly to retire in 1913 by President Wilson, was just as solemnly revived by them in what they were pleased to believe was a new and convincing form. They believed that the world-war had placed financial hegemony so securely in their hands that at last it would be possible for them successfully to dictate a China policy. The date of the first conversation in Washington between the government and bankers appears to have been in June. On the 8th July the bankers expressed themselves in the following writ-

ten terms on the suggestion that they should make a loan to China.<sup>1</sup>

"... An arrangement of this sort, which contemplates transactions spread over a considerable period of time, in our opinion should be made on the broadest basis in order to give the best protection to our investors, and, with the right foundation established, confidence would follow and anxiety and jealousy disappear. At the conference held in Washington recently, there was mentioned, as a course perhaps advisable, that Americans and Japanese co-operate in a loan to China. We are disposed to believe that it would be better if such an international co-operation were to be made broader. We suggest, therefore, that this can best be accomplished if a four-Power group be constituted consisting of financial members to be recognized by the respective Governments of Great Britain, France, Japan, and the United States; our Government to recognize as their member of such group the American banks or firms which may become associated for this purpose, and which we should hope to have representative of the whole country. Although, under the present circumstances, it would be expected that Japan and the United States should carry England and France, such carrying should not diminish the vitality of their memberships in the four-Power group.

"One of the conditions of membership in such a four-Power group should be that there should be relinquishment by the members of the group either to China or to the

<sup>1</sup> It is a significant and remarkable fact that the direct investment of American bankers in China on their own account consisted on that date, as to-day, of two loans—one for \$5,500,000 and the second also for \$5,500,000; the first negotiated in 1916 by the Continental Bank of Chicago as part of loan of \$25,000,000 which was never consummated; the second by Pacific Development Company as first instalment of a loan of \$30,000,000 which also was abandoned. The subsequent remarkable developments regarding these two loans is dealt with in Part VI of the present volume.

group of any options to make loans which they now hold, and all loans to China by any of them should be considered as a four-Power group business. Through co-operation of England, France, Japan and the United States much can be accomplished for the maintenance of Chinese sovereignty and the preservation of the 'open-door'; and, furthermore, such co-operation might greatly facilitate the full development of the large revenue sources, from only a very few of which China at present realizes a satisfactory income.

"It would seem to be necessary, if now and after the war we are successfully to carry out the responsibilities imposed upon us by our new international position, that our Government should be prepared in principle to recognize the change in our international relations, both diplomatic and commercial, brought about by the war."

The salient facts in this document are highly interesting. The State Department, true to traditional policy of avoiding at all costs direct responsibilities, had evidently accepted the suggestion which Japanese had been busily making through Baron Shibusawa and others:—that the United States should invest their capital in China under Japanese auspices. New York bankers, with a keener knowledge of profits, not only differed, but made straight for the big prize—Chinese railways. The meaning of the sentence in which they call for the relinquishment of options held by others lies in the fact that American participation in railway concessions in China having been of a most modest character, other Powers would retain all the Chinese plums unless Americans were assisted to a share.

Thereupon commenced a long and elaborate negotiation lasting two years, and shifting from Washington to London and from London to Paris, and finally ending in Tokyo and Peking. The original purpose of the loan, which in terms of the State Department's despatches was "to strengthen China and fit her for a more active part in the war against the Central European Powers," was never referred to again for the obvious reason that the war was over long before any one got down to business. It took one year of correspondence and meetings to force the other members of the proposed new Consortium—England, France, and Japan—to agree to the principle of pooling their Chinese railway concessions. Mr. Balfour, then in the British Foreign Office, pointed out in a moving despatch that the old Consortium had only commenced to work in 1913 after the various groups had agreed in writing to exclude industrial and railway loans from the scope of their enterprise and that the new policy meant a complete reversal. To dislodge these dissidents was hard work. In the end they gave way because the possibility that America, if frustrated, might induce China to cancel all options herself, was too near to be pleasant. The principle of unification of the railway system of China having been definitely adopted as the basis of the plan, in May, 1919, a draft Agreement was entered into in Paris, almost on the date of the Shantung surrender made by President Wilson during the Peace negotiations.

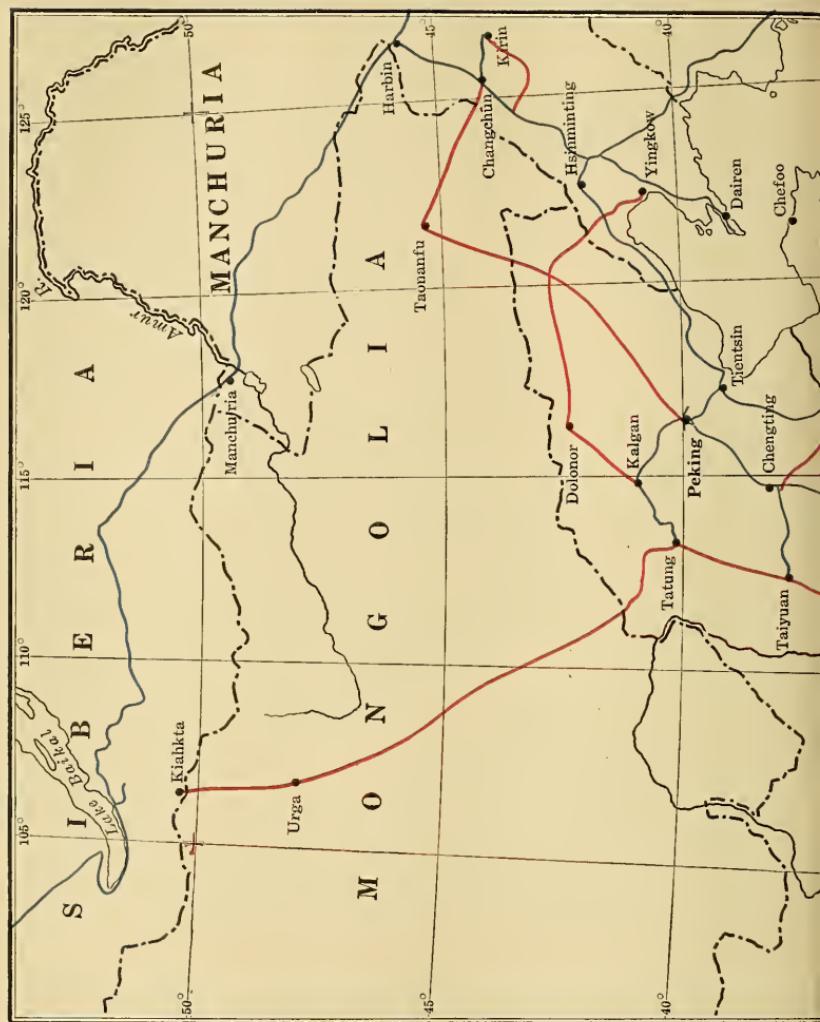
But although British and French interests had become pliable, Japan still rigidly maintained her stand that the special interests conceded her under the Lansing-Ishii Notes meant exclusive privileges in South Manchuria and Eastern Inner Mongolia. In the ensuing correspondence between governments and banking groups remarkable facts gradually emerged. In a Japanese Memorandum of the 14th April, 1920, it transpired, for instance, that the network of projected railways in South Manchuria and Eastern Inner Mongolia, for which Japan had paid the Peking Government twenty million Gold Dollars in the form of advances in 1918, had been designed as a "means of common defence on the part of China and Japan against foreign invasion coming from the direction of Urga." It was only then understood in the chancelleries concerned that the action taken on the initiative of the United States in the Russian Far East, nominally to save the Czecho-Slovaks, in which Japan had so unwillingly concurred, had been deliberately utilized by Japan for the development of her Russo-Chinese policy. That is, whilst others were foolish enough still to consider their China policy as a detached matter, bearing no relation to the general political problem of the world, Japan was carefully making a synthesis in which every factor (and the whims of every chancellery) had its allotted place. The temporary "success" of this policy, immoral as were the motives, was due to the fact that it was scientifically conceived, being based on the

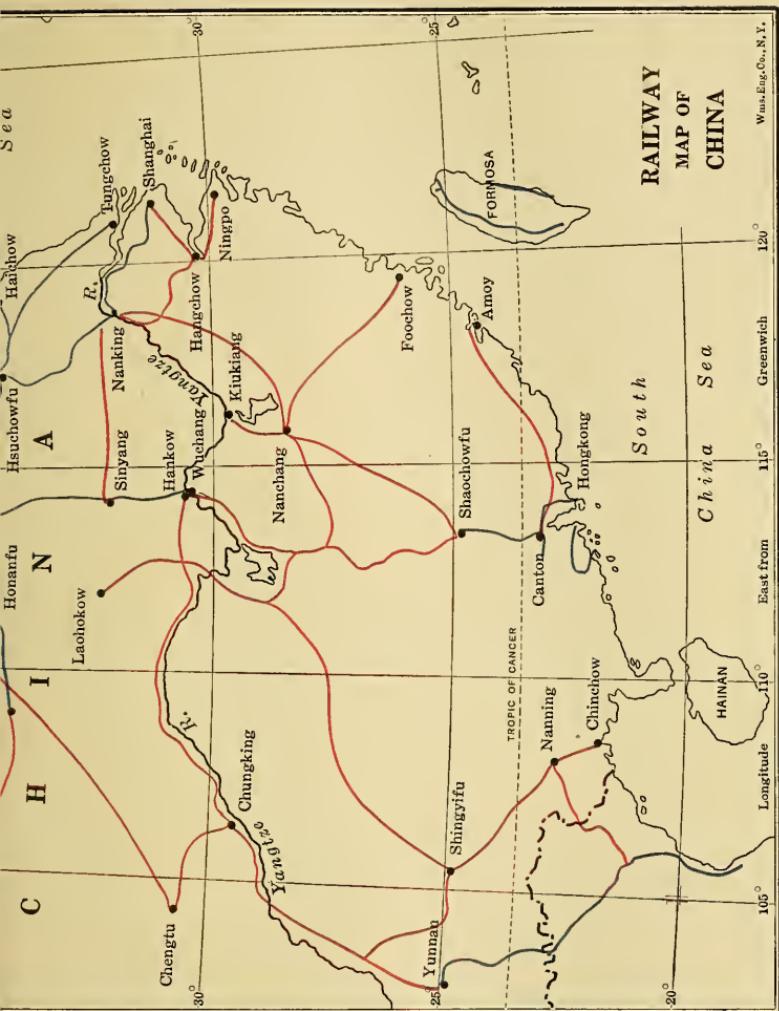
doctrines of Clausewitz: its ultimate collapse was due to the fact that timidity finally intervened, energy being replaced by indecision and parsimony invading a sphere where large-handed spending and unity of action was the essential driving-force. . . .

By way of reply to the Japanese Memorandum the American banking group, in the person of Mr. Thomas A. Lamont, of Messrs. J. P. Morgan & Co., made a pilgrimage to Tokyo. It was a point of honour with American financiers not to have it said that in the case of Japan they had acquiesced in the principle of spheres of influence when their whole plan of railway pooling was based on the open door and equal opportunity for all. In this they were very materially assisted by British bankers who through their own Foreign Office brought strong and direct pressure on Japan. Mr. Lamont was consequently able to perform in Tokyo a rather remarkable feat in inducing the Japanese Government to accept the position that all railways which could not be considered as feeder-lines to the existing South Manchuria system must be brought into the common pool.

With this moral victory in his pocket he came to Peking and met a smarting defeat—a defeat very largely caused by a subsidiary and relatively unimportant point. The issue was a large block of German-Chinese railway-bonds (Hukwang bonds) which had been acquired in some undisclosed way by his firm, either during or immediately after the war, and







IN BLUE:—RAILWAYS BUILT, OR BUILDING, 7,500 MILES.

IN RED:—12,000 MILES OF PROPOSED RAILWAYS.

Wm. Eng. Co., N.Y.



which had been advertised by China as cancelled, excepting serial numbers acquired prior to the Chinese declaration of war of 14th August, 1917. The total amount involved was under four million dollars (gold); and although the Chinese allegation that some of the bonds belonged to the Hohenzollern family was not proved one block appeared to have been acquired from the Grand Duchess of Luxemburg. With quite extraordinary tenacity the Chinese held to their repudiation of these "enemy bonds" and the New York Stock Exchange ordered them off the market. Mr. Lamont admitted that he had not scrutinized the scrip or noticed that they were signed by the Chinese Minister to Berlin; but he took the stand that the Hukwang Railway Loan of thirty million gold dollars was a single obligation of the Chinese Government and must be honoured accordingly.

Once more, as in the case of the East India Company, this insignificant matter illustrated that it is not sound policy to allow institutions depending on profit to be responsible agents in what are purely governmental affairs. In spite of the clever piece of work in Tokyo, American finance again registered a failure, which was bound to take on a more sombre character from year to year. Nevertheless, the work of completing the international scheme was pushed on with, the definitive consortium Agreement being duly completed between the four national groups on

the 15th October, 1920, in New York as if every difficulty had been removed.

The agreement has remained to this day a dead-letter.

## VI

The new administration which had come in Washington understood very imperfectly this very involved story, which indeed requires years of study on the spot thoroughly to appreciate. The new administration, though working towards solutions in a far more hopeful way than had ever occurred before, was too inclined to believe that a new grouping of the Powers in the Far East would of itself cure China's ills. Therein lay the great danger. That a modification of that grouping was a first essential was true. But the internal Chinese question was vastly more difficult than the external one, and could not be handled in the same way. That American money-power had already committed itself along wrong lines was deeply disturbing, since Asia demands a technique entirely different from that which is employed elsewhere. All the enthusiasm and altruism in the world cannot alter such a decisive fact. Quick returns and efficiency, in the way the West understands them, are abhorred as nature abhors a vacuum. Energy is thrice-cursed and always suspect. It is only when you have suited your method to a lackadaisical and somewhat slipshod atmosphere, and are content to let the years go by in winning confidence that you

finally triumph, though even triumph differs from what any man has imagined elsewhere in his dreams. . . .

Still there were good points in 1921 which had previously been non-existent.

The greatest stroke since Monroe's days had been successfully if wastefully carried out. After being stranded for half a century America had really put to sea again. The creation of an American mercantile marine, through the agency of the United States Shipping Board, had become the basis of American policy on the Pacific. For the first time for fifty years there was a tangible stake on the high seas; and no matter how it might be looked on elsewhere, on the Pacific that stake had become absolutely essential to give meaning and reality to policy.

The sea beckoned—it was sea-power that was the issue. The entire trend of men's minds was in that direction. Secretary Hughes' persistence in the matter of the island of Yap arose from a due appreciation of the fact. For if the sea was important, of almost equal importance was what lay under the seas—submarine cables. The United States was badly placed in the matter. Instead of having at least one cable linking her to the continent of Asia she had none. That American submarine communication, giving access to the markets of China, terminated and, for all business purposes, died in an office of the imperial Japanese telegraph system was a dismal conclusion.

Under the sea, on the sea, on land, the difficulties seemed to multiply. All the inaction of past years, all the attempts to avert responsibility by the use of fine phrases, were like Mother Carey's chickens coming home to roost. There was reason for the anxiety of the hour; for the fear that unless extreme vigilance were shown an ugly and unescapable situation might develop overnight necessitating the rude and detested arbitrament. It might be exaggerated and even untrue to proclaim, as Homer Lea had done in "The Valour of Ignorance," that swarms of khaki-clad Japanese infantry could ever invade the peaceful valleys of California; but it was not exaggerated or untrue to suppose that the Philippines lay in the hollow of Japan's hand and that even Hawaii would be menaced if there was stalemate at sea. Looking at the possibilities which the island-chains and the indented coasts afforded in the Northern Pacific, as well as in the Western and Central Pacific (and remembering that the strategic harbours in the Alaskan Peninsula were equidistant from Japan and San Francisco), there was no limit to what a resourceful and energetic enemy might do. Determination and valour, when there has been adequate preparation, are indeed letters of marque and reprisal which give license to pass over the boundary into an enemy's country and territorial waters and set no term to ambition. To agree on points by trumpery diplomatic methods, when there was this prospect in the offing, was plainly an evasion.

Consequently, on the twenty-sixth day of this important month of May the Senate duly adopted the formal resolution requesting the President to call a conference with Great Britain and Japan on naval reduction; and after weeks of conferences between the two Houses this was added as an Amendment to the Naval Bill and was the origin of the Washington Conference.

## PART IV

### THE IMPERIAL CONFERENCE OF 1921

#### I

THE first impression of the observer in England in the summer of 1921 was that no one outside of a narrow official and parliamentary circle had yet taken cognizance of the fact that an elaborate play was about to be staged. Coming from Canada and the United States, where the problem of the Pacific was no idle matter but a burning issue which might flame up with the utmost fierceness at any moment and involve every shore washed by the waters of that mighty ocean, it was extraordinary to note the indifference. England, mother of nations, was immersed in her own affairs. The Imperial Conference, with its complicated agenda, was plainly an unwelcome guest. Here were not only routine departmental matters requiring profound peace adequately to discuss, but foreign and imperial questions the details of which were so complicated that only experts could be expected to work their way through the maze of facts and know what importance to give them.

The machinery, however, commenced to work. The Press, still with something of the old war-restraint, gradually turned its attention to the question of the hour. It was noticeable, however, that Japan

was always mentioned with caution, a certain vagueness characterizing all references to the Alliance as though a too precise investigation of pending issues was out of place. The *mot d'ordre* having been passed round to avoid hurting susceptibilities, editors were doing their best to oblige. Still some light was thrown on dark places. Especially valuable was the prominence given by "The Times" to the brilliant articles of the young Australian writer, Mr. Duncan Hall, whose views expressed in his "Horizons of Empire" depicted accurately and admirably, as I knew from personal contact, what the men of the Dominions and the outposts were anxiously debating. Nor would it be fair to omit mention of the great services rendered to the cause of English-speaking men by Mr. St. Loe Strachey. His brilliant, persistent, and logical argumentation in "The Spectator" gave that publication a special niche in the hearts of all who understood the issues and were determined that no folly should be shown. Still on the whole indifference remained predominant, and had it not been for the powerful influences already at work across the Atlantic there would have been a doubtful and dangerous conclusion to the pending discussions. "Before the war," proclaimed Mr. Lloyd George in his best oracular vein, "Downing Street was in charge of the Empire but now the Empire is in charge of Downing Street." That epigrammatic remark might be popular as a trumpet-blast to herald the assembling delegates but it was not easy to believe all its

implications. If local self-interest had really taken the place of the old centralized system it meant a spectacular political bonfire. That the Empire was, however, in charge of Downing Street on speech-days only was amply proved by the fact that although the Dominions termed this a Conference of Prime Ministers of the Empire, Hansard and other authorities called it without fail the "Imperial Cabinet." Oceans separate the two ideas—the oceans of the Atlantic and the Pacific—not to speak of the seven seas.

## II

What information was possessed prior to the opening of the Conference of the various factors behind the scenes which I have already dealt with? Was it fully realized in London that a first-class crisis was imminent unless discretion and resourcefulness were shown? Yes—to a very large extent. No matter what exception may be taken to the manner in which foreign policy is still conducted by old-fashioned Foreign Offices, there can be little doubt that London enjoys such exceptional advantages owing to its early and accurate information that it is seldom surprised. The error lay deeper. There was no adequate comprehension of the psychology of the business. That Canada and the United States loomed up as danger-spots might be true; but much importance was given to the results which skill might win. If the initiative could be retained not only in

the matter of the Japanese Alliance, but in all those more general issues involving defence, it was still believed that fertility in inventing formulas would overcome objections. To prevent the raising of awkward and unanswerable questions until certain definite stages had been passed, to give vagueness and politeness capital places, and to make the United States no less than Japan aware of the profoundly friendly state of mind into which governance had been thrown—these were the aspects of authoritative policy. If this could be accomplished all would be well. If not, the agenda paper might as well be scrapped.

And China? China, not being armed and united in the European sense, was a very minor matter. Questions of the second or third rank could not be permitted to intrude until the capital issue was resolved. True, China could no longer be so completely ignored as in the old days since she was an official member of an official League with a place on the council. But so far as being considered as a vital element, there was little likelihood of such a policy being inaugurated unless her strange case were brought before the public in such a way that it could not be ignored.

Publication was what was needed—much publication—persistent publication.

Publication of the facts, with the central contention that force of circumstances had now forged a nexus between the opposite shores of the Pacific, and therefore conferred on China a new international rat-

ing, at once awakened interest. It was not an easy matter, however, to make converts; for passionate loyalty to an outworn policy is one of the most marked characteristics of the English people. Little or nothing had been heard of the Far East for seven long years. Although Japan's sins had been occasionally trumpeted as far abroad as this, it seemed a little incredible that a small nation of fifty odd millions could really terrorize a giant of four hundred millions unless there was something congenitally wrong with the giant.) The constant reiteration that Australasia at least was convinced that Japanese friendship could only be secured by a Japanese Alliance was held to be an argument of more than passing moment, seeing that the Dominions in the antipodes had more at stake than any one else.)

The outline of a new policy for the Pacific Ocean was, nevertheless, becoming more and more clearly traced. For months the discussion had been proceeding in a fitful way; now it had gathered sufficient strength to make it a vital issue. That it was vital I soon had adequate proof: for being fortunate enough to address the Coalition Foreign Affairs Committee in the House of Commons two days prior to the formal Debate on the Imperial Conference of the 17th June, I found not only sound information but general agreement that a Pacific Ocean policy in contradistinction to the old Far Eastern policy was an urgent requirement. The matter had indeed taken such immense strides that it was the question of the

hour. Members were also agreed that something ought to be done for China, and that it was dangerous as well as useless to attempt to ignore the forces which were at work since the Republic had been founded. It was on this date (15th June) that I learnt that a request had been officially addressed by Britain to Japan at the end of May (presumably as soon as the Borah resolution had been tacked to the Naval appropriation Bill in Washington) for an extension of three months of the Alliance Treaty from its date of termination, 13th July, which would carry it to the 13th October. No answer had come from Tokyo: the silence of Japan was creating anxiety.

The matter was very important since it established beyond question the fact that events in Washington were being very carefully watched, and that everything done there not only found an immediate echo in Downing Street but was looked upon as decisive. Plainly, the plan in mind before the conference opened was to win dissidents to the idea that if the British Empire Delegates would only stand together and be reasonable, all would be well; for then, immediately this Conference was over another one could take place attended by America and Japan, when a modified Japanese Agreement could be tabled and win sanction.

Nothing showed more clearly how the psychology of the issue was misunderstood. Moreover, no matter how great might be the modifications made on the Pacific so as to bring the United States within the

circle of friendship, China stood just as poor a chance of fair treatment. Directly to include her in international arrangements never having been attempted (the failure of the United States in this matter being every whit as marked as the failure of England), it was abundantly plain that no radical change could be expected at such a juncture unless the greatest pressure were exerted. The strength of the Chinese people was still held to be capable of expression only in negative forms, i. e. by their usual method of refusing to buy or trade when their interests were menaced. No one who had experienced the Chinese boycott system, applied either publicly or privately, had any wish to see it repeated. But that was held to be the limit of their action.

The British Foreign Office, guided in most of its China policy by mercantile considerations, relied very greatly on what it was told by British interests with China connections. These interests were almost entirely ignorant of—and incapable of understanding—the fundamental changes in the country. They persisted in believing, as so many believed for years in the case of Russia, that the revolution was entirely on the surface; and that whilst in such a flagrant case as Shantung, their own interests as well as Chinese interests demanded a reconsideration of the Paris decision, it was by no means necessary to scrap the idea that China was first and last a trade-area inhabited by individuals to be measured solely by their purchasing-power and to be guaranteed against the creation

of political *enclaves* merely because that would mean a restriction of the import and export market. The dangers arising from a persistence in the Anglo-Japanese Treaty were therefore looked upon as being not military but mercantile; unaccustomed to the study of politics, the vision of merchants did not extend beyond the entrepôts of trade which their enterprise had created along the China Coast. That we were within measurable distance of a conflict, which from its resultant complications might tear asunder the fabric of empire unless something radical were done, was beyond their philosophy.

If the Foreign Office was barricaded against new ideas, there was at least something to be hoped from the Prime Minister's office. Mr. Lloyd George, no matter what his detractors may say, has great vision, and takes care to inform himself from every possible quarter.

### III

I was fortunate, in these circumstances, to be able in conversations with Lord Riddell to bring the importance of these matters forward in such a way as to be convincing. Lord Riddell, who six months later in Washington was to prove such a remarkable success, has Scottish sound common sense and can recognize new facts without being irremediably upset by them. That China had really a case and that it was not common sense to ignore her, or to treat her as negligible, seemed at once patent to him. He invited

me to summarize my remarks in numbered paragraphs in the simplest and clearest way so that what China wanted could be easily grasped, and the new problem put into proper focus.

I did so in the form that follows. Bald as the document is, I have every reason to believe that it was read and digested in the proper quarter.—

#### “MEMORANDUM

“1. I have been sent to London by the Chinese Government to make clear China’s position, which does not seem to be at all understood in England.

“2. The seven years since the outbreak of war have caused China to be entirely forgotten. The great changes which have taken place there are unknown in England. Practically the only news published regarding China is bad news. This comes perhaps ten or fifteen times a year, but the fact is left entirely unrecorded that during the other 350 days life is normal and uneventful.

“3. One aspect regarding which hardly a word has appeared in the English press is the vast municipal improvements all over the country. Modern cities have arisen with broad well-metalled thoroughfares, thronged with motor cars, lighted with electricity and furnished with telephones, and water-works, and policed by well-trained constabulary. The old city walls are being torn down and boulevards constructed, the general tendency under the Republic being to become up-to-date in all conveniences of polite life. China is indeed fast losing her Oriental character and resembles more a country such as Brazil. She should in fact be thought of more as a new country than an old one, with a new country’s problems and a new country’s hopes and roughnesses.

“4. The great mass of people involved is also not understood. In the 21 years since the Boxer revolt there has been a net increase of population between 60 and 70 millions. Both the Post Office and the Customs administrations, which have European organization and general management, have this year independently investigated the population in every district and have arrived at the conclusion that the total to-day is 447 millions, or at least 30 millions more than the population of Europe. The biggest province (Szechuan) has a population considerably more than France's and approaching that of Germany.

“5. Naturally in a country of such size there are from time to time serious happenings, but life is nevertheless safer in China than in Europe. The main characteristic of the country is its newslessness and commonplace life.

“6. The growth of public opinion is an enormous factor to be reckoned with to-day. There are 2,000 newspapers, of which 800 are dailies. At least 20% of the population read newspapers or hear what they have said. This press is strongly nationalist and continually preaching nationalism. The biggest newspaper has a circulation of 50,000, but there are many with 10,000 and 20,000 serving their localities.

“7. Foreign news and politics are a great feature. Great numbers of newspapers publish European and American telegrams. The big names in politics are just as familiar to Chinese newspaper readers as those of continental or American newspapers. The political issue is endlessly discussed and there is much passion being displayed regarding Chinese rights.

“8. The student movement is another great feature. There are now 700,000 students in the great Students' Union and they act like clockwork from one end of the country to the other in national matters. There are constant agitations and demonstrations; and such is the antipathy for Japan

## 98 AN INDISCREET CHRONICLE

that no Cabinet Minister's life would be worth an hour's purchase if he dared for instance to discuss the possibility of negotiating with Japan on such an issue as Shantung.

"9. The trade of the country remains small on a *per capita* basis because of difficulties and disabilities referred to below. China's foreign trade is under £400,000,000 a year, or less than £1 per head of population, whereas if it were pushed to the Japanese average (£10 per head) it would be worth £4,000,000,000 annually, or considerably more than that of any modern State. The commercial possibilities are indeed so gigantic that all powers covet the premier place.

"10. Mediæval taxation is the chief cause for the small total which is only about the value of the trade of Italy, when it should equal if not surpass the trade of the British Empire. This taxation, i.e., Customs duties, is controlled through the Commercial Treaties by foreign nations, without whose unanimous consent nothing can be done. China for 80 years has had the same 5% tariff, producing not more than 10 millions sterling in revenue. To make up for this, there is interprovincial trade taxation, i.e., China is broken up into petty states and trade impeded simply because no nation has had sufficient intelligence to see that a Chinese customs union (*Zollverein*) with free trade within the limits of her own territory will bring such a vast increase of profit that all nations would benefit.

"The entire British war debt could be paid off by the great increase in exports to China which would automatically come if England took the lead in this matter and brought it to a successful conclusion, as she easily could with American co-operation.

"11. Japan is opposed to all such reforms because she does not wish China to go ahead and increase in wealth and power so rapidly that the present position is reversed. Her aim and object, therefore, is to impede China's real progress until she can entrench herself on her territory so strongly

as to offset China's natural advantage in numbers, resources, and extent of territory.

“12. The real rôle of the Anglo-Japanese Alliance has been for the last ten years to impede China. Japan, by representing to China almost daily that she has the support of Britain, and by blocking all vital matters, is making a desperate effort to prevent the restoration of the natural equilibrium in the Far East which can only be based on a balance being preserved between the two countries.

“Every child in China knows this to-day. The native press has been repeating it daily for years, and nothing will ever modify the Chinese conviction that the Alliance is an instrument to hold them down.

“13. It is not generally understood that Sinn Fein as a method has been absorbed by every country in Asia. In China there is an absolute determination to begin practising first trade boycott, then other methods, if at this supreme opportunity of the Imperial Conference China's rights are not respected, and the Alliance as a military agreement terminated.

“14. The fears expressed that the termination of the Alliance would be followed by dangerous Japanese action are based on ignorance of the psychology of Asia—the same ignorance, for instance, as was displayed in the post-war Anglo-Persian Agreement.

“If the Alliance is ended nothing will happen anywhere except in Japan. There the more liberal elements in less than a year will gain control; there will be a collapse of the military party; a modification of the constitution; friendship with China and a settlement of such issues as Shantung.”

At the present moment the British are looked upon throughout Asia as being foolish, if not actually fools, because they have not been able to see that the win-

ning side is the nationalist or people's side in each country. The writer has heard the expression "fools" applied to them in three Asiatic languages. The net result of correct action in the Far East will be not the creation of new dangers, but simply a chorus passing round Asia that we have at last learnt something, and are admitting the existence of facts which every one else has long known.

17th June, 1921.

#### IV

On the 17th June, the Debate on the Imperial Conference took place before a thinly-attended House of Commons. But for one who had the issues at heart it was a supremely interesting occasion since there was the unique opportunity of not only listening to what Britons thought of the Empire, but what the Empire thought of the Britons who were speaking.<sup>1</sup> Owing to the condition of Irish affairs the galleries were closed, but in the special gallery were the Dominion Ministers and their personnel keenly following the trend of a discussion which had already raged in their own legislatures. As the debate proceeded and dropped from high-sounding generalities to a particular consideration

<sup>1</sup> Although modesty makes reference difficult, the Hansard Report of this date contains a significant entry, dealing with some personal references made by that most courteous parliamentary veteran, Mr. T. P. O'Connor. By an extraordinary mistake of the official reporters I was inadvertently knighted during the debate—thus adding to the comedy of errors which the Imperial Conference produced. For record of this honour, which is purely platonic, since it has never been confirmed, see Official Report, Friday, 17th June, 1921, volume 143, No. 79, page 823, Mr. T. P. O'Connor, Scotland Division, speaking.

of the matter of defence, the comments in the gallery became more interesting than the oratory; for when gallant members who had been general officers began to give their views as to the rôle which component parts of the empire could play in times of emergency, the instinctive attitude of Dominion representatives was hostility,—hostility to ideas which are the natural outcome of European power-politics and which are directly opposed to oversea ideas where the starting-point is the farm and the mine. Through the long hours of the debate the fact was more and more patent that the real problem of the British Empire is not defence or alliances or commerce or finance, but similarity of ideas. The resentment which is common among Canadians, Australians, South Africans and New Zealanders, because of the assumption that they will endorse the execution of policies over which they have no control and in which they have no interest, is a matter which may pass unnoticed for a number of years but which in the end will acquire a decisive character. The tendency to allow foreign affairs to be excluded from the scope of the post-war, levelling movement is one that requires checking—or else it will be redressed in a far more drastic way than was the case with the question of supporting Polish intervention in Russian affairs. There was one good point, however. That the bulk of opinion had already swung into line on the subject of the Pacific, and on the necessity of reaching a proper understanding with inter-

ested Powers emerged clearly enough in this debate: and for the first time since the late Lord Salisbury took up the cudgels for China twenty-five years before in defending the cession of Weihaiwei (declaring that it was meant to hearten the Chinese and prevent them from giving way to despair at the actions of Russia) the tone of the House was almost uniformly flattering and favourable to the Chinese people.

Unfortunately there was no large-minded man like the late Marquess of Salisbury to carry the matter further. Too much hinged on the personality of the Foreign Secretary and his natural predilections. Fifty years ago, when men were still asleep, Lord Curzon would have been a most valuable asset; in 1921 he was a danger. Understanding accurately virtually every problem in Asia, author of brilliant books on each phase of the subject, he yet possessed that type of mind which has been largely responsible for the amazing unpopularity of England beyond the Suez Canal during the last twenty years. That he would naturally and infallibly favour Japan at the expense of China, and remain convinced to the bitter end that nothing was to be gained by reversing policy, was as certain as the action of the moon on the tides. The Bolsheviks have been right in one article of their faith: a certain type of mind is beyond change because it imagines that it is beyond good and evil. That it was not possible to cure a disease if you perpetuated the conditions which had

produced the disease, seemed too elementary a proposition to require discussion. That, however, was not the official view. Very far from it indeed. Although the precise contrary was not publicly argued, it was secretly loved, making it seem that the only way of dealing with professional British diplomacy is to get rid of it.

On the morning of the 20th June the Conference duly opened. "The Daily Telegraph," through the friendly interest of that most genial of all men, Lord Burnham, was good enough on that date to give prominence to my diagnosis of the main problem. But it was held necessary to add a caveat in the form of an editorial note. To the analysis I made of a situation which was so plain to us who lived in the Far East (that it was the condition of China, coupled with Britain's Japanese commitments which formed the gravest menace on the Pacific Ocean) there was the rejoinder that many factors of Imperial concern had to be reckoned with in a full consideration of the subject and not solely the question of China and Japan. That, indeed, was obvious to all of us. But the starting-point of all the factors of Imperial concern was Japan; and the main issue which had not yet been publicly approached—*was whether Japan or Canada was to dominate British Pacific policy.*

The general statement by Mr. Lloyd George with which the conference opened was amiable enough. With his instinct for immediately scenting and tack-

ling the decisive issue, he declared that he was ready to discuss with American statesmen any proposal for the limitation of armaments which they might wish to set out. Friendly co-operation with the United States was a cardinal principle for Britain, who desired to work with her in all parts of the world. England desired to avoid the growth of armaments on the Pacific as elsewhere and England rejoiced that there should be so much earnestness in America in that matter. Sea-power, however, was the basis of the British empire's existence—sea security, therefore, was the prime consideration. England, he declared, desired to preserve the well-tried friendship of Japan in order to apply it to the solution of all questions in the Far East where Japan has special interests and where England like the United States desired equal opportunities and the open door. British foreign policy could never range itself upon the difference of race and civilization between East and West, since that would be fatal for empire. On that note he finished—which was a bad piece of history. For that was precisely the manner in which foreign policy had ranged itself in Asia for nearly four centuries in the case of all nations that had proved submissive. Except in the sense that this observation was an indirect notice that Japan could not be discriminated against even to please the United States it was hardly worth being so inaccurate.

London aimed at renewal of the Anglo-Japanese Alliance, *pari passu* with conversations with the

United States and Japan on the subject of naval reductions,—that was now publicly the official position. That renewal was out of the question until negotiation had definitely removed from the pathway of the three nations the obstacles to peace standing there was an equally obvious proposition; but since China was the chief obstacle, and since she had no right to demand that foreign policy should not range itself upon the difference of race and civilization between East and West because of the mediocre quality of her armed forces, it seemed that the Prime Minister had provided himself with a puzzle which even his ingenuity could not solve.

Following Mr. Lloyd George came the speeches of the Dominion Prime Ministers. Mr. Meighen avoided direct references to the Anglo-Japanese Alliance, but Mr. Hughes, who was plainly working along preconcerted lines, advocated renewal. On the 22nd Lord Curzon gave a long exposition of British foreign policy and he was followed by Mr. Winston Churchill, with a similar exposition of Colonial policy which were intended to show these men from overseas the really complicated work of directing a great empire and the need for tightening up the parts. They remained unconvinced. Further discussion, both formal and informal, rapidly brought realization of the fact that the mood of the Dominions was averse to discussing constitutional relations which they held completely covered by existing legislation. As if guided by an irresistible force attention became

slowly and definitely centred on the Japanese question, even naval defence dropping far below the horizon of the conference room for the good and ample reason that all the Dominion Governments were disinclined to agree to any departure from the *status quo*.

## v

Just then the conference struck the first snag—not lightly, but hard and head-on, in such a way that it was impossible to avoid feeling the shock. It has never been disclosed who sent the inspired statements at this stage across the Atlantic, declaring that the British Government was keeping the American Government fully informed regarding the negotiations affecting the Japanese Treaty; but that it was official propaganda there is every reason to suspect. The remarkable step at once taken by Secretary Hughes of issuing in Washington an official *démenti* on the 22nd June, in which he stated categorically that the State Department was not informed regarding the plans of the British Government, showed that uncustomary vigilance was being displayed. Taken in conjunction with the published speeches of Secretary Hughes, that the cardinal principle of the Harding Administration was friendship among the English-speaking nations, the action amounted to a formal notification that the practicability of bluffing through this vital issue must be abandoned.

The mystery deepened and public attention at last was fully aroused. After five days' meeting and debates nothing had been concluded. Opinion was still sharply divided whether the Japanese Alliance should be taken up alone, or in conjunction with naval policy, or as part and parcel of the general question of relations with the United States. On the 27th June Mr. Lloyd George, impelled to do so by the general embarrassment caused by the statement of Secretary Hughes in Washington (which Secretary Hughes took occasion to reiterate), returned to the charge and took all the Prime Ministers into his confidence. In an attempt to preserve strict secrecy, even secretaries and legal advisers were sent out of the room, only Prime Ministers remaining. Whether, then, a detailed account was given of Japanese proposals regarding Borneo and the Dutch East Indies during the war, and also of her proposals in regard to Eastern Siberia must remain a matter of conjecture. But that something was said of the trials and tribulations of British diplomacy during the war, owing to Japanese action, and the necessity of guarding against vengeance if the Alliance were abandoned, may be reasonably conjectured.

The discussion was followed by fresh arguments by Lord Curzon and Mr. Balfour.

On the 29th June the Canadian Prime Minister, so far from being convinced, circulated a confidential memorandum in which he came out openly and

squarely in reply to all these arguments with the declaration that if the Anglo-Japanese Alliance were renewed it would not be binding in Canada unless ratified by the Dominion Parliament; and that in any case military clauses were looked upon with extreme disfavour by his electorate.

He was followed by the other Dominion Premiers, General Smuts alone contributing anything of importance by outlining a plan for a general Pacific conference on armaments and policy by the interested states as an alternative which would secure the same results as were expected from the Japanese Alliance. Everything, however, was overshadowed by what Mr. Meighen had said and done. Immediately the rumour spread that there was to be a national referendum in Canada and Australia on the subject of the Alliance, both countries being given a chance to express their opinion before anything was done, this being the real reason the London Government had sought a three months' extension of the Alliance—an odd enough explanation which, however, looked as well as any other in the neatly-printed columns of the evening press.

Downing Street was openly and unmistakably in a more desperately embarrassed position than ever before. All attempts at finding a common formula had failed, and opposition to the Japanese Treaty was stiffening. Mr. Lloyd George, with his acuteness for adapting his policy to anything that comes in handy, would not have hesitated to make a volte-

face regarding Japan if he could have found a smooth way of doing so. But there were no such means; all roads were closed. He had compromised himself—at least the office across the street had done that for him. And, moreover, he was sufficiently wise to know that a first-class power cannot change its policy overnight without serious discredit. The error committed in former years of taking too much for granted regarding the Pacific was being bitterly revenged: for to the British request for a three months' treaty extension Japan had so far declined to reply. Consequently on the tenth day of the conference the amiable assistance of the highest law officer in England, the Lord Chancellor, was invoked by private arrangement. He stated that in his opinion, despite the ruling made the previous year by the two competent law officers of the Crown (Sir Gordon Hewart and Sir Ernest Pollock) the notification made to the League of Nations the previous year on the subject of the Alliance (that if it were in conflict with the Covenant of the League it would be modified before its expiry on the 13th July, 1921) did not constitute a legal denunciation of the Alliance, which would therefore continue in force by virtue of clause VI until formally denounced.

Great is the flexibility of the inflexible law.

It was natural in such circumstances that severe public criticism of the Conference should appear. After having sat two weeks in secrecy and produced no result, there was this singular denouement, which was virtually a confession that a trick was necessary to save the government's face. July opened with nothing definitely decided upon excepting the necessity of finding an avenue of escape,—preferably by means of a general Pacific Conference. The story began to circulate that Mr. Lloyd George, confronted by the unbending opposition of Mr. Meighen, had in an unguarded moment angrily exclaimed, "Sir, you speak like a citizen of the United States," revealing thereby that he did not know all the dialects of the British Empire.

Parliament began to be incensed. The stream of questions grew from day to day. The government could no longer blind itself to the fact that it was impossible to pursue much longer the ostrich-like policy which had been such a remarkable feature of the conference.

On the 30th June I had been fortunate enough to address the Commercial Committee and the Lancashire Members in the House of Commons. I was at great pains to lay before them in the clearest possible manner the fact that British interest in the Far East was first and last commercial; that co-operation with the Chinese people was a *sine qua non*

to preserving and expanding the great undertakings which had been built up during eighty years of endeavour; and that it was monstrous nonsense not to see that England would attract to herself precisely the same odium Japan had incurred over the Shantung business if she renewed the Alliance in defiance of Chinese opinion. That odium would undoubtedly express itself in the same way in which it had been expressed in the case of Japan—by boycott and other retaliatory measures. Far better would it be to utilize the opportunity to secure remedies. A concerted effort should be made to win for China an adequate tariff in return for improved trading conditions—for instance the throwing-open of all railway zones to foreign trade and residence. This might easily be won, if China were given a *quid pro quo* in the Tariff issue, and if certain police rights were conceded to her in abatement of extra-territorial jurisdiction. On the 6th July I was able to add to this array of argument by addressing the Labour Party and on the 7th the Independent Liberal Party. The pages of Hansard bear witness to the growth of interest in the fate of China in the pending negotiations; questions were literally rained on ministers who declared themselves unable to satisfy the general curiosity, insisting that the interests of all the Powers concerned were being paid attention to. Though honourable members were assured that ministers deprecated a discussion by the method of question and answer of an important matter of

high policy that was engaging the earnest attention of His Majesty's government, and of the Prime Ministers and other representatives of His Majesty's Dominions, the House showed itself impenitent. Commander Kenworthy had not only squared his jaw but was following up his adversaries all round the ring. Twenty other members were pressing for information in a manner which could no longer be repelled. On Thursday, the 7th July, no less than seven questions were grouped together dealing with the position of the Alliance Treaty and the action of Japan. Inasmuch as every part of the House was concerned in the matter, the Prime Minister declared that he hoped to be in a position within four days to make a full statement but that premature declarations would interfere with the success of negotiations then proceeding. And at the end of his remarks he made curious interjection that his promised statement was dependent on the receipt of replies from the United States, Japan and China. These words, although not in the Hansard report, were plainly heard in the Press gallery and printed in the newspapers and telegraphed to America. For the third time since the Imperial Conference had commenced Secretary Hughes caused a swift denial to be sent from Washington, declaring that there could be no reply from America as there was nothing to answer.

## VII

The cat was at last out of the bag here as well as elsewhere. The Anglo-Japanese Alliance, twisted and tugged out of shape by united effort and virtually thrown on the scrap-heap, was the subject of a bitter rear-guard action. The British Foreign Office, under Lord Curzon's leadership, was still desperately trying to save it. Conversations and soundings regarding a possible conference had been conducted by the Foreign Office with the American Ambassador, the Japanese Ambassador, and the Chinese Minister; but there had been no concrete proposal—and Secretary Hughes quite rightly declined to accept as adequate these side-door negotiations when a definite formal programme was the only means of atoning for the obscurantism which had been practised all through June. That China was to be given a place at the round-table was due to the fact that there was no longer any means of avoiding it, not because there had been any change of heart in those dim halls where the Far East is merely labelled as a geographical division.

But the problem did not end with this activity. Its roots were deep on the other side of the Atlantic. A new element was about to enter into play. The Washington Administration held quite rightly that so long as there was any question of the Japanese Alliance surviving, no matter in what attenuated and moribund form, disarmament was out of the

question. It was at this stage that President Harding determined to rely upon his own initiative. The British soundings were not so much an invitation as a warning that a new combination was being built up. Consequently, immediately the reports from London of the 7th July reached Washington, action was decided upon. The invitation to Britain to participate in a general Pacific Conference left Washington by wire on the night of Saturday, the 9th July, having been worked out that day.

Chequers Court was the setting for an unusual scene on Sunday, the 10th July. Mr. Lloyd George, like Napoleon at Dresden with the lesser kings, was sitting surrounded by the Prime Ministers of the Dominions, a little disconsolate after his hectic month, when the noise of a motor-car was heard. Enter Mr. Harvey, American Ambassador, with the cable in his hand. "Read it to me," exclaimed Mr. Lloyd George, anxious to hear the worst at once. Mr. Harvey read the invitation to a Disarmament and Pacific Conference. "Of course we accept," shouted Mr. Lloyd George in his enthusiastic manner. "We are delighted to accept!" The way out had been most providentially provided. Whether he threw his hat in the air, or whether he was wearing his hat at all, has never been chronicled.

On the very next day in Parliament (11th July) he made his promised statement, which in the light of this close record shows itself a masterpiece in the concealment of awkward facts and merits reproduc-

tion as an object-lesson in modern political method. It was also noteworthy because he stated categorically that President Harding favoured a preliminary meeting on Pacific and Far Eastern questions, a course he directly opposed.<sup>1</sup>

" . . . When I told the House last Thursday that I hoped to be in a position to make a statement on Pacific and Far Eastern questions to-day, I was awaiting, as I explained at the time, replies to conversations which had taken place between the Secretary of State for Foreign Affairs and the representatives of the Governments of the United States, Japan and China, as the result of our discussions in the Imperial Cabinet.

"I am very glad to be able to inform the House to-day that the views of the Government of the United States reached me last night, and are extremely satisfactory. The Chinese Government is also favourable. We have not yet had a formal reply from the Government of Japan, but we have good reason to hope that it will be in the same sense. Now that these views have been received, I am glad to be at liberty

<sup>1</sup> The actual language used in the announcement made by the White House on the 10th July is worth quoting:

"The President, in view of the far-reaching importance of the question of limitation of armaments, has approached with informal but definite inquiries the group of Powers heretofore known as the Principal Allied and Associated Powers—that is, Great Britain, France, Italy and Japan—to ascertain whether it would be agreeable to them to take part in a conference on this subject to be held in Washington at a time to be mutually agreed upon.

"If the proposal is found to be acceptable, formal invitations for such a conference will be issued.

"It is manifest that the question of limitation of armaments has a close relation to Pacific and Far Eastern problems, and the President has suggested that the Powers especially interested in these problems should undertake in connexion with this conference the consideration of all matters bearing upon their solution, with a view to reaching a common understanding with respect to principles and policies in the Far East.

"This has been communicated to the Powers concerned, and China has also been invited to take part in the discussion relating to Far Eastern problems."

## 116 AN INDISCREET CHRONICLE

to inform the House of Commons fully regarding the course which our discussions in the Imperial Cabinet took. I do this with particular satisfaction, because it will show how very valuable a step forward we have been able to take by common consent in the sphere of foreign affairs.

"The broad lines of Imperial policy in the Pacific and the Far East were the very first subjects to which we addressed ourselves at the meetings of the Imperial Cabinet, having a special regard to the Anglo-Japanese Agreement, the future of China and the bearing of both those questions on the relations of the British Empire with the United States. We were guided in our deliberations by three main considerations. In Japan, we have an old and proved Ally. The agreement of 20 years' standing between us has been of very great benefit, not only to ourselves and her, but to the peace of the Far East. In China there is a very numerous people, with great potentialities, who esteem our friendship highly, and whose interests we, on our side, desire to assist and advance. In the United States, we see to-day, as we have always seen, the people closest to our own aims and ideals with whom it is for us, not merely a desire and an interest, but a deeply-rooted instinct to consult and co-operate. Those were the main considerations in our meetings, and upon them we were unanimous. The object of our discussion was to find a method combining all these three factors in a policy which would remove the danger of heavy naval expenditure in the Pacific, and would ensure the development of all legitimate national interests of the Far East.

"We had, in the first place, to ascertain our exact position with regard to the Anglo-Japanese Agreement. There had been much doubt as to whether the notification to the League of Nations made last July constituted a denunciation of the Agreement in the sense of Clause VI. If it did, it would have been necessary to decide upon some interim measure regard-

ing the Agreement pending fuller discussions with the other Pacific Powers, and negotiations with this object in view were, in point of fact, already in progress. If, on the other hand, it did not, the Agreement would remain in force until denounced, whether by Japan or by ourselves, and would not be actually determined until 12 months from the date when notice of denunciation was given. The Japanese Government took the view that no notice of denunciation had yet been given. This view was shared by the Secretary of State for Foreign Affairs: but, as considerable doubt existed, we decided, after a preliminary discussion in the Imperial Cabinet, to refer it to the Lord Chancellor, who considered it with the Law Offices of the Crown, and held that no notice of denunciation had yet been given.

"It follows that the Anglo-Japanese Agreement remains in force unless it is denounced, and will lapse only at the expiration of 12 months from the time when notice of denunciation is given. It is, however, the desire of both the British Empire and Japan that the Agreement should be brought into complete harmony with the Covenant of the League of Nations, and that wherever the Covenant and the Agreement are inconsistent, the terms of the Covenant shall prevail. Notice to this effect has now been given to the League.

"The broader discussion of Far Eastern and Pacific policy to which we then turned showed general agreement on the main lines of the course which the Imperial Cabinet desired to pursue. I have already explained that the first principle of our policy was friendly co-operation with the United States. We are all convinced that upon this, more than any single factor, depends the peace and well-being of the world. We also desire, as I have stated, to maintain our close friendship and co-operation with Japan. The greatest merit of that valuable friendship is that it harmonizes the influence and activities of the two greatest Asiatic Powers, and thus constitutes an essential safeguard to the well-being

of the British Empire and peace of the East. We also aim at preserving the open door in China, and at giving the Chinese people every opportunity of peaceful progress and development.

"In addition to these considerations, we desire to safeguard our own interests in the Pacific, and to preclude any competition in naval armaments between the Pacific Powers. All the representatives of the Empire agreed that our standpoint on these questions should be communicated with complete frankness to the United States, Japan, and China, with the object of securing an exchange of views which might lead to more formal discussion and conference. The Secretary of State for Foreign Affairs accordingly held conversations last week with the American and Japanese Ambassadors and the Chinese Minister, at which he communicated to them the views of the Imperial Cabinet, and asked in return for the views of their respective Governments. He expressed at these conversations a very strong hope that this exchange of views might, if their Governments shared our desire in that respect, pave the way for a conference on the problems of the Pacific and the Far East.

"The views of the President of the United States were made public by the American Government this morning. It is known to the House. Mr. Harding has taken the momentous step of inviting the Powers to a Conference on the limitation of armaments, to be held in Washington in the near future, and he also suggests a preliminary meeting on Pacific and Far Eastern questions between the Powers most directly interested in the peace and welfare of that great region, which is assuming the first importance in international affairs. I need not say that we welcome with the utmost pleasure President Harding's wise and courteous initiative. In saying this I know that I speak for the Empire as a whole. The world has been looking to the United States for such a lead. I am confident that the House will esteem it as an

act of far-seeing statesmanship and will whole-heartedly wish it success. I need hardly say that no effort will be lacking to make it so on the part of the British Empire, which shares to the full the liberal and progressive spirit inspiring it.

"Let me add only one word as to the part played in these events by the gathering of the Imperial Conference in Downing Street. I venture to say that the action that we have taken could not have been in so prompt, effective and unanimous a fashion but for the intimate personal consultation between the Prime Ministers of the Empire and the representatives of India which this gathering has enabled us to enjoy. We have taken counsel together without reserve. With this result before us, I need not elaborate the inestimable value of that intimate collaboration in the conduct of the Empire's affairs."

At the end of this speech there was a significant interpolation by Lieut. Colonel J. Ward. He inquired:

"Would the right honourable gentleman inform the House and the world in general whether in these negotiations with reference to the future of the Pacific, China is to be treated as a sovereign state and her representatives left to give the decision of the Chinese Government without the interference of any other Asiatic Power?"

To which the Prime Minister replied:

"China will be treated as what she is, an independent Power. We made the same communication to the Chinese Government as to the other governments."

## VIII

The matter was apparently at an end. With utmost frankness the Prime Minister of Great Britain had, so it seemed, taken the whole world into his confidence and shown very precisely the nature of the difficulties which had been encountered and so successfully solved. He had admitted the complex nature of the problem, adroitly showing each facet only for a fraction of time so that in the end the bright diamond in his hand should be esteemed a fit jewel for the crown of his Imperial endeavours.

Yet things were not really as they seemed. Behind the scenes the storm raged on. It was quite evident that the matter of initiative was causing great heart-burning. That America had stolen England's thunder was quite plain. That Lord Curzon should give in without a waspish struggle was too good to be true. The first fruits were in all good faith extremely acid in spite of Mr. Lloyd George's silver tongue; and there is every reason to believe that this project of a general Pacific Conference would have fared badly had it not been for the royal tact which was never displayed to better advantage than in a little conversation with the American ambassador, as was duly chronicled at the time in responsible newspapers. In spite of vigorous official denials that there had been any discussion whatsoever, the contrary is the truth. The crown showed the same good sense as was displayed just then in the Irish settle-

ment, proving that there are times when Cabinet Ministers need instruction.

The result was that the idea of a preliminary conference in London—to precede the formal conference at Washington and settle the agenda—was destroyed. Unwilling to admit that the slovenly handling of the question of the Japanese Treaty had brought discredit, the alternate suggestion was put forward of a preliminary conference in Washington, to be held immediately the Imperial Conference dispersed so that Dominion Prime Ministers could proceed thither on their way home, and in company with the Ambassadors of invited Powers, settle the programme.

From Secretary Hughes, now emphatically the master of the situation, came an equally emphatic “no.” He had got the thunder securely in his hands at last; and he was not prepared to allow any one to steal it away from him. He let it be known that any attempt to anticipate deliberations which were planned to commence on Armistice Day were looked upon with strong disfavour.

That was the end. The Prime Ministers of the Dominions might meet in strict privacy and hold discussions of several hours regarding the Pacific Conference, but they were caught on the barbed wire of the Japanese Alliance. The magnificent last-hour opportunity to denounce the Treaty, immediately President Harding had issued his momentous invitation, had been missed: therefore there was nothing left to discuss. Had Mr. Lloyd George quickly de-

clared that he regarded Britain's acceptance of the invitation as requiring the denunciation of the Alliance in order that England might go into the Conference without prejudice, there might have been a different American attitude on the subject of a preliminary London conference which was in many ways a desirable meeting since certain matters, particularly financial matters, could be more rapidly attended to in London than in Washington. But so long as the Alliance remained undenounced, the United States took the proper and reasonable view that precisely the same crippling assumptions would be visible as had disclosed themselves in previous negotiations concerning the Far East. Mr. Lloyd George, deep in the throes of the Irish settlement, could not be held to blame. The onus was on the shoulders of the Foreign Secretary. Though it might be excessive to castigate him as the *Times* did on the 13th July regarding his business incapacity as exhibited in the state of his Department which "unfitted him for the discharge of responsible duties," it was certainly true that nothing that he did during the Imperial Conference showed any realization of the new problems throughout the world. When he declared in Parliament in regard to Persia on the 26th July and his efforts in that country that "he viewed the situation with a feeling of disappointment and almost of despair," he was using language which corresponded to his feelings on the problem of Japan. Later I was to learn in all its

trivial detail the efforts his Department made throughout this conference to suppress by the method of diplomatic pressure on the Peking Government, a public presentation in London of China's case. One instance may be selected as an illustration.

In pursuance of the policy that the Far Eastern question was of equal importance to all sections of the community, because of trade, I furnished the Labour organ, "The Daily Herald," as I furnished fifty other newspapers and reviews, with an interview in which the reasonable statement was made that China was a nation of labourers in the highest sense of the term and that friendly assistance by the workers of Britain would be looked upon as peculiarly appropriate in the crisis which had come; that China provided an unlimited field for British enterprise and industry; but that should the treaty with Japan be continued a vast boycott of British goods would be the result.

Each one of these statements was a statement of fact beyond dispute. Not, however, for Lord Curzon's Department. It was Bolshevism which called for a Wrangel. Accordingly, the Chinese Government was advised that the good relations subsisting between England and China would be seriously endangered and perhaps permanently cancelled if such "messages" to the British people were continued; and that it was imperative immediately to carry out a correction by drastic steps.

That Mr. Lloyd George should have been driven

to build up in his own office a foreign department during recent years is not only understandable but laudable. Had he not done so the trivial and even childish manner in which foreign affairs are attended to in the office opposite No. 10 Downing Street would long ago have vitally wounded England where she can stand no more wounds—in her commercial and industrial paunch.

## PART V

### CANOSSA

#### I

THE preliminary report issued on the evening of the 5th August announced the end of what had proved one of the most singular conferences of modern times. Of the original agenda only two items had been seriously considered: the Japanese Alliance and the matter of a future constitutional conference. The first had shown itself a hopeless stumbling-block; the second had been abandoned with the eminently discreet remark that no advantage was to be gained by considering it. As for the other items on the agenda paper, they were quietly swallowed up in the great void where lie most official things.<sup>1</sup> A subtle realization of their meaninglessness.

<sup>1</sup> Since the White Paper makes no mention of the principal items in the agenda, it is well to quote the list given in the Canadian House of Commons during the historic debate of the 27th April from a previous statement of the Canadian Prime Minister:

"... The proposal was made and accepted last October on the basis that the June meeting would be of a special and preliminary character having in view the necessity of discussing

"(1) Preparation for the special Constitutional Conference contemplated in Resolution 9 of the Imperial War Conference of 1917 to be held at a later date, this preparatory discussion to include such questions as the meeting place, date, composition and agenda.

"At the same time it was considered that the June meeting would afford an opportunity for discussing certain other matters of common concern which are of an urgent or important nature, such as:

"(2) The question of the renewal of the Anglo-Japanese Alliance, which is indeed only a part of the general subject of foreign relations, but which is especially urgent since under the terms of the Alliance a decision should be reached this year.

ness in the face of the unliquidated business was enough to despatch them to this congenial limb. Foreign policy, Imperial migration, the League of Nations, defence, communications—what did they all amount to when no unity had been discovered in matters of prime importance? The requiem mass on the conference was significantly enough contained in the resolution on naval defence, a resolution constituting in itself a very important footnote on British Constitutional history and therefore worthy of being preserved in a more popular form than between the covers of a White Book.

"That while recognizing the necessity of co-operation among the various portions of the empire to provide such naval defence as may prove to be essential for security, and while holding that equality with the naval strength of any other Power is a minimum standard for that purpose, this conference is of opinion that the method and expense of such co-operation are matters for the final determination of the several Parliaments concerned and that any recommendations thereon should be deferred until after the coming conference on Disarmament."

Of all the members of the British Cabinet one and one only realized that the failure which had been recorded in London was a failure due to lack of imagi-

"(3) A general review of the main features of foreign relations, particularly as they affect the Dominions.

"(4) Preliminary consideration, preparatory for the proposed Constitutional Conference, of some working method for arriving at a common understanding as to policy in such external affairs as concern all parts of the Empire.

"Since that time various other subjects have been suggested for inclusion in the agenda of the June meeting."

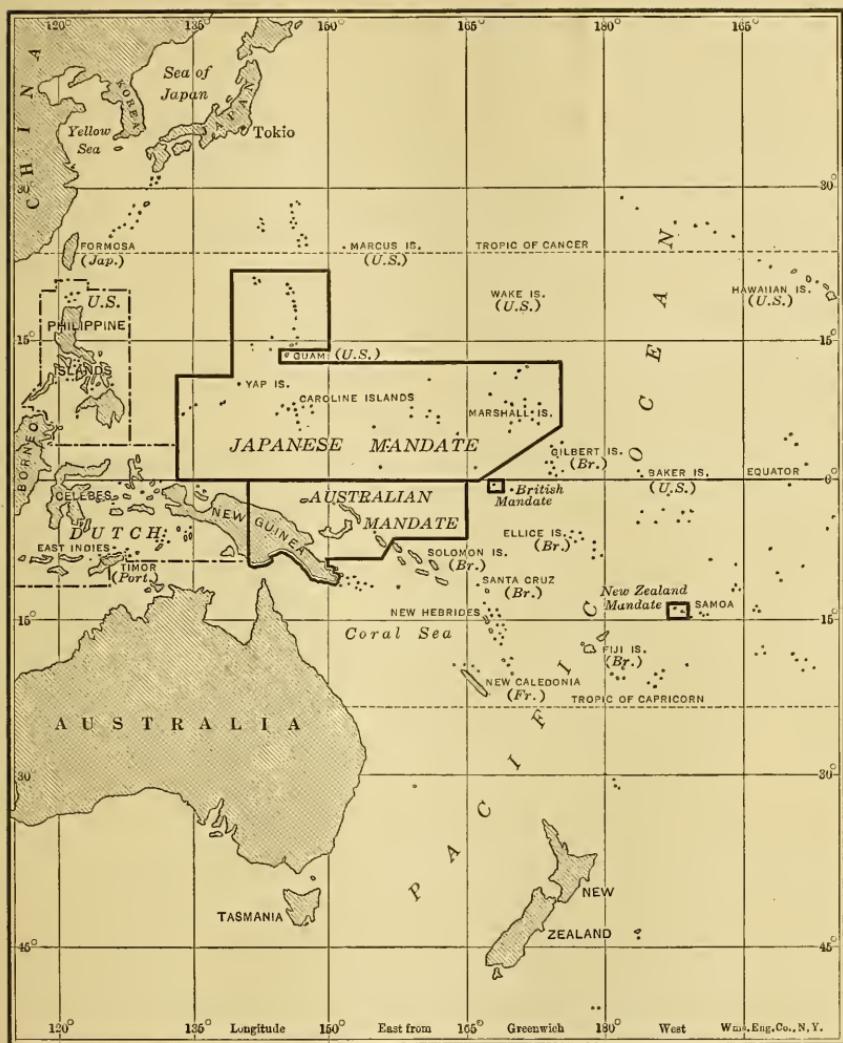
native understanding. Mr. Lloyd George, in 1921 as in previous years, stood head and shoulders above his colleagues in grasping that the oversea is different from the British point of view. That Europe was no longer the immovable pivot of world events, but that the countries of the Pacific Ocean pivot on the North American Continent, had been established for him as an indisputable fact. Quick as a flash to realize a new development, he had been able to grasp, as Canning had grasped a hundred years before him, that the New World has a system of dynamics and a technique of its own. Flung into the conference with explosive force by the action of Canada, that fact had closely resembled Mr. H. G. Wells' phantasy of the atomic bomb which keeps on exploding for days and weeks, constantly enlarging the area it devastates until all obstructions are swept away. In the end it had cleared the ground so thoroughly that it did for inter-British relations and inter-British diplomacy much as the American Revolution had done in creating British oversea governments. After his bitter remark to the Canadian Premier, Mr. Lloyd George had accepted that position; and by his vivid phrase in Parliament on the 9th August when he said, "You are defining life itself when you are defining the British Empire; you cannot do it"; he had shown that his presence at the head of the London Government had been of the highest importance for the future of the English-speaking race.

Yet that Washington was Canossa admitted of no

discussion. It might be a Canossa without the snow and cold in which the Emperor Henry II stood awaiting absolution. But that something of the power of a Hildebrand had been given to President Harding was plain to those who sat with a naval Annual in their hands and a table of taxation and National Debts beside them.

The White Book on the Imperial Conference bears this out. A visitor from another planet might suppose from a perusal of this document that airships and the provision of mooring masts had been one of the principal anxieties of this gathering; and that inter-communication and the dissemination of news had been held equally important. But even in this vital matter—inter-communication and the dissemination of news—the vital point was missed. The Department concerned held doggedly to the Imperial Wireless scheme which every authority had condemned as ten years out-of-date. The passage of a year since this discussion has fortunately led to the abandonment of the chain of toy stations which then seemed so commendable. The adoption of maximum stations places England on a parity with defeated Germany. Even Chinese stations have been receiving from Nauen for five years; for while Hongkong and Singapore are still isolated from the direct communication with London, as if they bore no possible relation to the national capital, Berlin has been flooding Asia with daily gazettes.

In all this padded report only one section is in-



PACIFIC POSSESSIONS OF VARIOUS NATIONS CONCERNED IN THE PROBLEMS DISCUSSED AT THE WASHINGTON CONFERENCE. THE MANDATES OVER GERMANY'S FORMER PACIFIC POSSESSIONS ARE INDICATED BY THE BLACK OUTLINES.



teresting; elsewhere there is silence and secrecy. "Silence and secrecy," cries Carlyle in his extraordinary apostrophe. "Altars might still be raised to them (were this an altar-building time) for universal worship. Silence is the element in which great things fashion themselves together that at length they may emerge, full-formed and majestic, into the daylight of Life, which they are henceforth to rule. Silence, the great empire of silence, higher than the stars, deeper than the kingdom of Death . . ."

Whether the sage of Chelsea would have approved it in the present instance is doubtful; certainly he would not have recommended an altar. For leaving aside the bad history and the extraordinary reasoning of the Delegates, which is expressed in suppositions such as "if Japan had been an enemy in 1914-18," there is just one illuminating statement dealing with Washington which runs as follows:

"In accordance with the suggestion which was believed to have been made by the American Government, that the Conference on Disarmament should be preceded by friendly conversations or consultations between the Powers who were principally concerned in the future of the Far East and the Pacific, the Imperial Conference, anxious that for the Anglo-Japanese Agreement should be substituted some larger arrangement between the three Great Powers concerned, namely, the United States of America, Japan, and Great Britain, and holding the firm conviction that the later discussions on Disarmament, to which they attached a transcendent importance, could best be made effective by a previous mutual understanding on Pacific questions between those Powers,

devoted many hours of examination to the question how such an understanding could best be arrived at, where the proposed conversations could best be held, in what manner the representatives of the British Dominions, who were so vitally affected, could most easily participate in them, and upon what broad principles of policy it was desirable to proceed. It was difficult for the Dominion Prime Ministers, owing to the exigencies of time and space, to attend at Washington late in the autumn. On the other hand, advantage might be taken of their presence in England to exchange views with representatives of the other Great Powers who had been invited to Washington later on. It was in these circumstances that the idea was mooted that the preliminary conversations or consultations, to which the American Government had in principle agreed, should be held in London.

"When it transpired a little later that there was some misunderstanding as to the nature of the preliminary conversations which had been suggested, the British Government, in the earnest desire to remove any possible misconception, and to meet what they believed to be the American views at each stage of the impending discussions, volunteered to attend a meeting on the other side of the Atlantic, at which the agenda of the forthcoming conference at Washington could be discussed, and a friendly interchange of views take place in order to facilitate the work of the main conference later on. The British Prime Minister and Foreign Secretary, together with the Dominion Prime Ministers, were prepared to attend such a meeting if invited to do so by the American Government.

"The Japanese Government signified their willingness, if invited, to take part in the suggested conversations.

"The American Government, however, did not favour the idea, which was accordingly dropped.

"This conclusion was viewed with the utmost regret by

the members of the Imperial Conference, who had devoted no small portion of time to the working out of an arrangement, which they understood would be equally acceptable to all parties, and the abandonment of which could not, they feared, be otherwise than prejudicial to the great objects which all had in view. At no stage had it been suggested that the results of such a consultation as was contemplated should either anticipate the work or tie the hands of the Washington Conference at a later date. On the contrary, holding, as they do, the firm belief that without a Pacific understanding the Conference on Disarmament will find it less easy to attain the supreme results that are hoped for by all, the Imperial Conference made the proposal before referred to anxious to remove every possible obstacle from the path of the Washington Meeting, which they desire to see attended with complete and triumphant success."

## II

Although it had been the 10th July when the original American proposal was communicated to the principal Allied Powers, the formal invitation was not issued until thirty-one days later. The problem of the preliminary conference, regarding which British diplomacy had been so concerned, and the matter of Japanese participation having then been solved, it was held auspicious to send out the official document of the 11th August, which read in conjunction with the British Official summary of the Imperial Conference of the 6th August fills in the gaps and gives a clear picture of the new orientation which had come. The careful reader, who is willing to

exercise his critical faculties, will see at once that across the blue heavens of American altruism certain clouds had already passed. Contact with reality was destined further to modify the rhapsodies which had already been indulged in.

"The President is deeply gratified at the cordial response to his suggestion that there should be a conference on the subject of limitation of armament, in connection with which Pacific and Far Eastern questions should also be discussed.

"Productive labour is staggering under an economic burden too heavy to be borne unless the present vast public expenditures are greatly reduced. It is idle to look for stability, or the assurance of social justice, or the security of peace, while wasteful and unproductive outlays deprive effort of its just reward and defeat the reasonable expectation of progress. The enormous disbursements in the rivalries of armaments manifestly constitute the greater part of the encumbrance upon enterprise and national prosperity; and avoidable or extravagant expense of this nature is not only without economic justification, but is a constant menace to the peace of the world rather than an assurance of its preservation. Yet there would seem to be no ground to expect the halting of these increasing outlays unless the Powers most largely concerned find a satisfactory basis for an agreement to effect their limitation. The time is believed to be opportune for these Powers to approach this subject directly and in conference; and while, in the discussion of armament, the question of naval armament may naturally have first place, it has been thought best not to exclude questions pertaining to other armament to the end that all practicable measures of relief may have appropriate consideration. It may also be found advisable to formulate pro-

posals by which in the interest of immunity the use of new agencies of warfare may be suitably controlled.

"It is, however, quite clear that there can be no final assurance of the desire for peace, and the prospect of reduced armaments is not a hopeful one unless this desire finds expression in a practical effort to remove cause of misunderstanding and to seek ground for agreement as to the principles and their application. It is the earnest wish of this Government that through an interchange of views with the facilities afforded by a conference, it may be possible to find a solution of Pacific and Far Eastern problems of unquestioned importance at this time, that is, such common misunderstandings with respect to matters which have been and are of international concern as may serve to promote enduring friendship among our peoples.

"It is not the purpose of this Government to attempt to define the scope of the discussion in relation to the Pacific and Far East, but rather to leave this to be the subject of suggestions to be exchanged before the meeting of the conference in the expectation that the spirit of friendship and a cordial appreciation of the importance of the elimination of sources of controversy will govern the final decision.

"Accordingly, in pursuance of the proposal which has been made, and in the light of the gracious indication of its acceptance, the President invites the Government of Great Britain to participate in a conference on the subject of limitation of armament, in connection with which Pacific and Far Eastern questions will also be discussed, to be held in Washington on the 11th day of November, 1921."

### III

If the proposed Conference was a Canossa for Britain, it was a full and complete Sedan for Japan.

The Japanese were so stupefied that they could not conceal the fact, even when they had won some points regarding the agenda. They alone had known thoroughly and perfectly by year-long investigation, that the pivot of the countries of the Pacific Ocean was really the North American Continent: but they had believed that the fact might be kept concealed for some years, if astuteness were shown, when they would be in a better position to accept the challenge which public recognition must entail. The British Alliance had been for them a screen which they had imagined no one would be able to pierce. Now the screen was on the ground, a discredited piece of camouflage! It was a far more tremendous shock to their plans than the Chinese Revolution of 1911 had been with the tragic disappearance of the Manchu dynasty; it upset to an incredible extent the general balance of power and destroyed at one blow the value of the steps they had taken so painfully and laboriously throughout the war-years. It was not merely a question of the money they had "invested" in China to further their plan, although that was a serious enough issue since the financial stability of three semi-government institutions had been compromised: it was that the whole account was going to be called, and the strategical as well as the financial balance struck. There was a network of commitments so finely spun, and so cunning that rough hands might ruin in hours what it had taken years to work out.

In self-defence they mechanically accepted the disarmament proposal and sought to defend themselves against the menace in the Far East by gaining time. Since the British request (made in May) for a three months' extension of the Alliance agreement they had been filled with dark suspicions, which the singular denouement of the 30th June, contrived with the gracious assistance of the Lord Chancellor of England, had done little to abate. The idea of a Pacific Conference in London had been barely broached when the informal invitation came from the United States for precisely the same purpose with disarmament added to it.

Disarmament—when arms represented the foundation of the State and its proudest achievements. . . .

To a people as slow to adjust themselves to unexpected developments as the Japanese, the matter rapidly took on the aspect of a conspiracy—a conspiracy of silence which had been turned into a conspiracy of action. The ultimate punishment, which some had seen for them in a rigid blockade of their coasts by an Anglo-American fleet, seemed to have drawn perceptibly nearer. For many weeks after the American invitation had been received it rained in Japan—rained as it can only rain in a semi-tropical country. Yet that did not interfere for one moment with a discussion which never ceased. Everything turned on Britain. If she endorsed American action in all matters, it was the end. If, on the other hand, it was possible to create a diver-

sion, there was still some hope of an attenuated policy, no matter what happened to the Alliance. The Japanese relied upon the fact that vested interests would automatically work for them because such interests are always hostile to fundamental changes in the status quo. In this they showed great common sense.

As soon as possible—to be precise on the 13th July—they declared their intention gladly to participate in the Conference relating to the discussion of the question of disarmament. As for the discussion of Pacific and Far Eastern problems, they considered it more expedient that the character and scope of these problems should be first defined before they expressed their views. In less diplomatic language, what they wished understood was that they were willing to stop a race in armaments which in the end must find them outclassed, but that they would not tolerate the re-opening of matters which they regarded as accomplished facts.

The action of the United States at this stage becomes less clear than it had been in the case of the London negotiations. Faced with something approaching open Japanese hostility to any complete discussion of the Far East, there can be little doubt that the implications of the note handed on the 23rd July by the American Government to the Japanese Government amounted to the tacit withdrawal of all matters affected by the Versailles Treaty from the scope of the discussion. The embarrassment of Sec-

retary Hughes in November, when the Washington Conference was under way, on the subject of China was clearly due to pledges already given: for in July he accepted the position that only broad subjects were to be discussed and that the Delegates should settle among themselves the nature of the agenda and the manner in which business should be proceeded with. Japan, having been satisfied on these points, on the 27th July made known her intention "gladly to accept an invitation for a conference which shall embrace a discussion of Pacific and Far Eastern questions."

She had scored her first point. Nevertheless little was to be expected from this unless she received aid and comfort from other quarters. She went to Washington in November in much the same mood she had been in July, knowing that the Anglo-Japanese Alliance was doomed and that there could be nothing adequately to replace it.

## IV

That it would have been possible for the United States by more astute diplomacy to avoid some of the other difficulties which ultimately cropped up seems certain. When we examine the particular case of France and the unfortunate influence she exercised on the solution of a number of questions, it is clear that a further capital error was made in July.

Prior to the American invitation, the French Gov-

ernment had been watching with open anxiety the course of the Imperial Conference. The question of the Japanese Treaty, although apparently not of direct consequence to France, closely concerned her. Everything Russian was affected by the Alliance—Siberia; the Chinese Eastern Railway; Russian indebtedness. Besides it gave British diplomacy a preponderance over France with Japan in practically every debatable matter. If the Alliance remained, it would mean that a certain number of subjects would continue to be forbidden; if it disappeared there would be greater freedom. In fact French agreement with Japan on many issues depended upon whether or not England had a prior claim on Japanese diplomacy. This was a matter of no small moment.

The circumstances, then, offered America an exceptional opportunity. But unfortunately President Harding, still in love with his idea of an “association of nations” which would quietly elbow the Geneva League out of the way, had persisted too far in his desire to have the kernel of the League (the Principal Allied and Associated Powers) brought to Washington, and abandoned too completely the original Borah resolution. More adroitness should have been shown in making it clear that it was not a diplomatic meeting to which the Powers had been invited, but a special conference in which diplomatic precedents were to be set aside. The delay and embarrassment caused by having two languages used at

the Conference—a very important tactical matter—should have been avoided, as it could have been avoided, had the point been properly considered. During the preliminary negotiations it should have been clearly laid down that delegates might address the conference in their own languages if they wished on the penalty of being misunderstood; but no interpreting should have been permitted, or no special privileges given any more than no special privileges are given in the Canadian or South African Parliaments where more than one language is used. It was folly not to have foreseen that once weakness was shown in this question there would inevitably be a sequel.

Of all the items in the agenda the one most highly doubtful was land-armaments, which had nothing to do with the problem of the Pacific and could in no wise affect it. The question of land-armament primarily concerned France; had the United States been kept properly informed she would not have attempted to combine issues so unrelated as the European land question and the problem of the Eastern seas. The main question was the solution of the problem of the Pacific, with which the European question had little or nothing to do. It was seapower which was being brought to the bar—not the mixed-up policies of European States. All who were well-informed knew that a very delicate situation actually existed between England and France in the summer of 1921 owing to French submarine arrangements having been so

rapidly advanced that they had virtually closed the English channel. It was very generally known in London that a great deal of railway work had been necessary since 1919 to secure that the London defence area could be provisioned even if all the channel ports were closed. These facts should have been within the knowledge of the American government. If they were not it must stand as a serious indictment of their system of intelligence. If they were great imprudence was shown. To properly informed observers it was as clear in July as it became in December that Japan would not be the only complication at Washington.

## v

The one country that lived in happy anticipation of what was to transpire was China. The Chinese people, harried during the whole period of the world-war, knew little or nothing of the complicated web of events which had brought about the proposed conference and innocently imagined that the world was at last lending an ear to their lamentations. The Government of China, it is true, was inclined to be more dubious, since the American invitation placed China in a lower category than the others in a manner which was quite unnecessary. It was certainly not diplomatic to send China an invitation different from the invitation sent to the four major Powers only in so far as deleting sentences which had more

meaning and reality for the Chinese people than for others. The hand which made the sapient shortening did not notice that precisely the most important matter—land armaments—was struck out. China had certainly an army as numerous as that of Soviet Russia. The enormous disbursements in the rivalry of armaments manifestly constituted the greater part of the encumbrance upon enterprise and national prosperity in China; and avoidable or extravagant expense of this nature was not only without economic justification, but was a constant menace to the peace of the world rather than an assurance of its preservation. Not, however, in the estimation of the State Department. For this language, which is taken textually from the invitation to the major Powers, finds no place in the communication to China. The British Prime Minister had been at great pains to state in Parliament in the matter of the proposed London Conference that precisely the same invitation had been sent to China as to the other Powers; Secretary Hughes should have taken the same course. A more conscientious statesman would not have used methods which disclosed so transparently that his main anxiety was to get Japan into the conference-room and then to trust to the march of events to find her yielding. The great nations and the lesser ones affected by the issue of the Pacific were to be gathered together presumably in a spirit of frankness and equality; but to show at the very start that they were differently esteemed destroyed at one blow the platform on which

they should have taken their stand together. China should also have been kept more closely informed regarding what she might reasonably expect and what she had best leave alone. Throwing her headlong into a conference without a proper plan was an act of political immaturity.

## VI

The Japanese Alliance was the ostensible reason for all this pother, but the tap-root of trouble was deeper down. Hidden from view lay the ruins of the ancient Chinese economical system on top of which it was proposed to build a condominium which would make of Western capitalism the master until such time as the Western countries judged that China was too turbulent for tutelage. Washington might be Canossa for stereotyped diplomacy, but it was just as likely to perpetuate the vassalage of militarily inefficient nations, since the price paid by Americans for the nominal acceptance of their schemes is nearly always the surrender of their ideals through the legerdemain of diplomats. That the ideals are often unworkable in practice is no doubt true; but between modifications honestly worked out and deliberate blocking of plans until an opposite policy wins there is a mighty chasm. To keep tight hold of the substance no matter what happened to the shadow was the settled determination of all nations who possessed tangible stakes in China. That they were firmly

resolved to cede nothing for which they could produce a contract or a Treaty, except as a last resort, was amply evident. And the proof could be found in the manœuvring of financial interests which now commenced behind the scenes.

## VII

There was nothing complex in the reasons which had led European and Japanese concessionaires apparently to reverse their policy and fall in with American proposals regarding the unification of their outstanding options in China. Lack of capital was one cause; lack of popular interest, unless some fresh bait was held out, was another. But the chief was that it was judged politic to utilize America to secure a monopoly. The monopoly of the system of 6,000 miles which had been built meant nothing: nor did a monopoly of the projected lines amounting in all to another 12,000 miles mean much. But something which would give a tight and permanent hold on a railway system at least as large as had been declared necessary in Indian Government Reports in the case of the Indian system—100,000 miles—costing \$100,000 U. S. Gold a mile, was not only worth fighting but called for a stupendous effort. The capital expenditure involved a sum which would ultimately approximate the total war indemnity which Germany is said to be capable of paying—between two and three thousand millions sterling. It was

therefore a subject of first-class international importance. Difficulties, which would undoubtedly prove insuperable for any one Power alone to overcome in China, were capable of being smoothed away when to the menace of Japanese arms was united the soothing sentimentalism of the United States. The vision of a four-Power solidarity could indeed be made so haunting, if there was persistent unity and energy, that the Chinese would not realize until too late that a new imperialism had successfully passed through their open door, and so well utilized the opportunity which is equal for all that there was no longer any incentive for others to compete.

In the British White Paper Miscellaneous No. 9 of 1921, there is a despatch quoted from the leader of the British banking group, Sir Charles Addis, to the British Foreign Office, dated 4th June, 1919, in which are laid down the general principles of this grand policy. After dealing with the question of public tenders and the matter of obtaining exclusive support so as to fall in with the American proposal, the despatch states categorically in paragraph 13:

“It may not be out of place to remark here, in parentheses, that the arrangement suggested by the group is to be regarded in its industrial aspect as a transitory preliminary stage in the accomplishment of the main object, to be kept steadily in view, of the establishment at Peking of a central railway board to consist of representatives of the Chinese Government on the one hand and of the international consortium on the other, which should be entrusted with the finance, the construction, the administration, and the

control of the Chinese railway system as a whole; the consortium to act as financial and industrial agents to the central railway board for the issue of specific railway loans, until such time as it may be found possible to issue Chinese consolidated stock, and for the preparation, under the direction of the board, of specifications and tenders for the supply of railway material and equipment—”

A central railway board dominated by the international consortium, which would be entrusted with the finance, the construction, the administration and the control of the Chinese railway system as a whole, is a scheme of such magnitude and such far-reaching importance that one may ask who are the Napoleons who have conceived it. The answer is that they are not Napoleons, but very unimaginative men who have taken the ideas current regarding Indian railways, such as were embodied in the Report of the Committee appointed by the Secretary of State for India to enquire into the administration and working of Indian railways (1920-1921) and applied them to China, where the essential condition—the right of eminent domain—is totally lacking. The complete separation of the railway budget, in respect of both capital and revenue, from the general budget of China, and the earmarking of all profits irrespective of national needs, for the continued expansion of the system which are laid down as sine qua non, take into consideration every factor except the dominating one,—the attitude, feelings and possible reprisals of the Chinese people. The programme also disre-

gards the remarkable development which has come under the Republic on Chinese railways owing to the fact that railways all the world over infallibly attract all troops. The canalization of internal warfare—which now flows almost exclusively along the railway embankments,—has reached such a point that concentrations of 100,000 men are common. Twenty years ago a force of 6,000 foreign troops in North China was a dominating influence; to-day they are as powerless as the League of Nations. How would an international board entrusted with the finance, the construction, the administration and the control of the Chinese railway system as a whole act when this recurrent provincial warfare breaks out and jeopardizes property worth hundreds of millions? Would the legislatures of their respective countries sanction the mobilization and despatch of expeditionary forces to secure that the finance, the administration and the control of the railways remained in accordance with bankers' regulations? The matter is too farcical to be seriously answered. The central Chinese railway board will never come; but it is well to understand at this hour precisely what this proposal really means. Even Lord Curzon, who is exclusive enough in most matters, declined "exclusive support" from first to last and merely committed the British Government to the formula of "complete support" which is probably what will sink the whole enterprise before it gets into harbour. Exclusive support the British Government had been willing to give in 1913

when industrial undertakings were not included. But once industry entered into the problem, British free trade requirements could not be so shackled. The exclusion from the British group of great clearing Banks such as Lloyd's Bank, the London Joint City and Midland Bank, Barclay's, and the National Provincial and Union Bank of England, not to speak of other concerns that had asked for admittance, such as Brown Shipley & Co., the Eastern Bank, N. Samuel & Co., and C. Birch Crisp & Co., has led to a unique situation, which had it been understood in Washington by Secretary Hughes would have been dealt with. For this exclusion, combined with the formula which had been finally adopted by the four governments concerned, amounts in practice to a repudiation of the principle of the Open Door in the one matter vital to the rehabilitation of China,—money. The precise terms of the declaration of the Four Governments should be read:

“The Governments of each of the four participating groups undertake to give their complete support to their respective national groups, members of the Consortium, in all operations undertaken pursuant to the resolutions and agreements of the 11th and 12th May, 1919, respectively entered into by the bankers at Paris. In the event of competition in the obtaining of any specific loan contract the collective support of the diplomatic representatives in Peking of the four Governments will be assured to the Consortium for the purpose of obtaining such contract.”

Was there ever a less moral bargain?

## VIII

If it was desired really to give effect to this undertaking, Washington, where the original idea of co-operative action had been born, was certainly the place for that. A decision had to be arrived at in one sense or another: either the consortium must be made successful—or the conference would have its folly disclosed later in an unpalatable way. That was evident long before the Delegates assembled.

To men accustomed to the ordinary commonplace operations of banking, depending on established systems, the long, slow process of economic development through which China must necessarily go (and which at the lowest computation will last sixty years), is frankly disliked. Psychologically, there is thus some reason for the international scheme. Experience having demonstrated that owing to the very different conceptions of money in China, particularly in the realm of State finance, financial operations are apt to be wastefully conducted unless attended by supervision, the instinctive thing is to vote for supervision. Irrespective of what supervision may actually amount to in practice, the stand is taken that all will be well so long as the theory is embodied in a legal agreement. Historically, there having been no such thing as “finance” in China, wealth having always been real and visible, and the idea of property never having extended beyond tangible things, it seems to stand to reason that when “real and visible” tokens

of wealth reach Chinese Government departments without the processes which have produced them being clear, or the responsibilities attached to their spending appreciated, the strong hand of friendly nations should secure that money flows into the right channels and becomes reproductive.

Yet the whole argument is falsified because control is not possible at the bottom, where it is essential, but only at the top where it is illusory and purely of the window-dressing order. The expense entailed by a real system of foreign control would be greater than the resultant benefit and would defeat its own object, because in China the minimum subsistence wage of the white man is forty times higher than the minimum wage of the native-born and precludes the putting in force of measures demanding the presence of foreigners at every spending-point.<sup>1</sup> The enormous discrepancy between the standards of living is not only a gulf but a bar to installing efficiency in the sense it is understood elsewhere. Therefore one is driven by the logic of circumstances to seeking in quite a different way the desired result, and securing its popular ratification by means other than diplomatic pressure.

The method to be followed is the method of common sense, as will be shown later. Lack of efficiency is very largely compensated for in China by cheapness of operation. In any case international action

<sup>1</sup> This statement is absolutely correct. The minimum wage of a white man is \$200 silver a month: the minimum of a Chinese \$5 silver, countless millions living on ten gold cents a day.

in such classic examples as Tangiers and Constantinople should have been enough to teach men that national salvation is not to be found that way.<sup>1</sup> For the jealousies in China, even among the principal Allied and Associated Powers, are not only acridly expressed, but lead to endless actions at the back doors. It would serve no useful purpose to give any clearer indication than to say that the two Powers which are supposed to love each other best—the United States and Britain—have bickered most bitterly on all subjects connected with money and the investment thereof. When you have added thereto the possibilities lurking in latter-day Chinese nationalism the outlook becomes more sinister. With all that Bolshevism has taught the world, it would be natural to suppose that caution would be displayed where passions are most easily aroused—in matters affecting the pocket. But experience has demon-

<sup>1</sup> Tangiers is in the northwest corner of Africa allotted to Spain, but it does not belong to Spain. France, Spain and Great Britain claim rights in this quasi-internationalized section of Morocco, which comprises Tangiers itself and 140 square miles of territory surrounding it. In the original secret treaties of 1904 between France, Spain and Great Britain partitioning Morocco between France and Spain, the exact status of Tangiers was left undecided. After the Agadir incident, which almost led to war between the Kaiser and France (1911), a treaty signed at the end of 1912 divided Morocco into three zones—a French zone, a Spanish zone, and Tangiers, with its surrounding territory, under a “special regime.” Supposedly this meant a triple administration under the three Powers; rivalries, however, have prevented reform, and the resultant government has been lax and inefficient in the extreme. All three Powers claim economic interests. Great Britain would be satisfied politically if by some form the freedom of the port and the non-fortification of the territory could be so guaranteed as to remove the menace to the Straits of Gibraltar. But since the allied triumph in the great war, the French press has been declaring that the present status of Tangiers is intolerable and must be ended. The French plan is to recognize the sovereignty of Mulai Yusef, the Sultan of Morocco.

strated that no lesson learnt in one country is ever applied to another; and only by cultivating the art of making themselves disagreeable have Chinese recently proved that they are no longer negligible.

In yet another matter did Washington loom up as Canossa. The robes of repentance would have to be donned not only by those who had actually erred, but by those who had expressed by written undertaking their desire to do so. Never in history had there been such a curious medley.

## PART VI

### WASHINGTON IN NOVEMBER

#### I

THAT the imagination of the American people had been captured by the idea of the Washington Conference was soon made plain in every part of the United States. As the month of November approached and the hour for the assembling of the Delegates drew nearer, interest was visibly stimulated by the remarkable manner in which publicity invaded every organ of the press. It was not so much a Disarmament Conference as an Arms Conference: the world in arms had been summoned to Washington. That delighted the American people who were still in a mood which had long since disappeared in Europe. The distinction between the way Americans looked upon the matter and the way the others considered it was of the same order as had been noted in London in the matter of the Imperial Conference. There the British idea of an Imperial Cabinet and the Dominions' idea of a conference of Prime Ministers had meant the difference between action and discussion. Action was certainly demanded by the American people in 1921. They were ready for dramatic moves; and there seemed no limit to the amount of popular support these would win if care

were taken to explain them properly and to act with dignity and resolution.

There was, however, another fact which should have been more adequately noticed had the strategy of the Conference been a subject of competent inquiry. Although a sense of the dramatic lies dormant in Americans and can be rapidly invoked, they are a people of swift emotions which burn themselves rapidly out. The newspaper world, long before the Conference had opened, had set to estimate precisely what "the news value" of this international gathering would be to them. After some preliminary hesitation the unanimous opinion was reached that that value was not more than thirty days. In other words, the attention of the American people could be kept riveted on great subjects for just one calendar month and no more, after which other matters would engage their interest. This estimate was extremely important and proved very accurate. Had the American delegation been properly advised, they would have packed into the compass of thirty days all essential matters so that the main objectives would by that time have been clearly marked out and the immense deadweight of American public opinion allowed to crush opposition by a law as inexorable as the law of gravity.

These were three issues and the only three important to the United States:

First: Naval reduction,

Second: Cancellation of the Anglo-Japanese Alliance,

Third: Restoration of China's liberty of action by a complete modification of crippling international arrangements.

All the rest was immaterial so far as the security of the North-American Continent was concerned. The question of Siberia largely depended on the lead given in these three major matters, which should have been bracketed together and worked as a unit instead of being broken into distinct categories. It was stupidity to imagine that it was feasible to class purely European matters with problems of the Pacific without entangling both in a maze of difficulties. The main and only reason why the Washington Conference had been summoned was because in the mid-Nineteenth Century England had opened China and the United States Japan to the commerce and industry of the world, and thereby projected into the political arena elements which had thrown out of balance factors hitherto supreme. That was the position in a single sentence. What had taken place during the seven preceding years in Europe was no doubt related through the Russo-Japanese War to the problem of the Far East; but the relationship was too remote to be of importance and in any case it required a very different American policy in European affairs to have Asia and Europe jointly con-

sidered. American statesmen should at least have understood that there is an inborn antithesis, a cultural antimony, between Europe and Asia and all their affairs. President Harding, influenced by his desire for world peace, had badly mixed up unrelated questions; but there was no reason why the American delegation should not have corrected the initial crudity and brought things to the point where evasions would have been impossible in the essential problem of the Pacific. This, however, involved a totally new orientation of American policy just as much as a change of heart in the case of other Powers. America had already committed an unforgivable sin in China in 1917 which required public expiation; she possessed neither the men nor the resolution to wipe out President Wilson's capital error in the way in which it could easily have been done. In the elders gathered together as her representatives there was no trace of the generosity or ardour of youth.

## II

Gargantuan as were the ramifications of the main categories of the agenda, if followed to the end, it was the details rather than the objectives which were complex. That is no doubt true of almost every conference. But in the present case it only required a show of firmness, coupled with a public admission that Japan had done what she had done more because of the volition of others than because of any inherently

different ideals, to create an atmosphere which would have permitted the formulation of true solutions. That, however, required inspired personalities. Secretary Hughes, in certain respects, was inspired, not, however, regarding the part that China could play in the world's affairs provided an immense, concerted effort were made to get to the bottom of her difficulties. As the agenda plainly shows, what was to be attacked were not the difficulties but the by-product of those difficulties:

#### “LIMITATION OF ARMAMENT

- “1. Limitation of naval armament—Basis of Limitation.  
Extent of limitation. Fulfilment of conditions.
- “2. Rules for control of new agencies of warfare.
- “3. Limitation of land armament.

#### PACIFIC AND FAR EASTERN QUESTIONS

- “1. Questions relating to China—Principles to be applied.
- “2. Application to subjects:
  - A. Territorial integrity,
  - B. Administrative integrity,
  - C. Open door—equality of administrative and industrial opportunity,
  - D. Concessions: Monopolies and other economic privileges,
  - E. Development of railways,
  - F. Preferential railroad rates.
  - G. Status of existing commitments. Questions relating to Siberia. Similar questions relating to China.
- “3. Mandated islands.”

Over the question of armaments there were certain perfectly clear points. Navies must be dealt with drastically and the new agencies of welfare subjected to new rules. Armies it was hoped to treat in the same way. There were certain precedents to follow. But the sub-heads in the agenda-paper proved that the whole problem of Chinese reform was deliberately made so many-sided that there was virtually no end to the discussion.

With no proper starting-point marked out, how could there be an end?

Yet there was no reason for that. Precisely the same phenomenon had to be dealt with in China as in Rome when the destruction of the rigid society which had come down from the early days of the Roman Republic, was brought about by foreign factors and the vast increase in currency and commercial credits. The great revolutionist in China, which has upset everything, had been the cash and credit system of the West. Money should have been the measure of everything—money in all its various forms; money and nothing but money. Everything under that head should have been grouped and a decision reached regarding the policy to be pursued. It would have taken time to work out the details just as it had taken time to work out the naval details. There had been that time. Four months had passed since July and those four months had been frittered away. Nothing had been done. Experts summoned from every part of the Far East had been left to kick their heels pre-

cisely as President Wilson let his army of experts kick their heels in Paris two years before. No commissions had been formed to work up data—no expert evidence taken. Nothing. Chance, the blind Madonna of the Pagan, was the goddess who was to preside over China's destiny.

Consequently eleven days before the conference opened this is what was allowed to take place. An unseemly wrangle in Peking over a small loan of  $5\frac{1}{2}$  million gold dollars, which fell due on the 31st October, was complicated by the sudden disposition of the American banking group to do business. They put forward a proposition whereby under certain terms they would take over this liability and another for a like amount which fell due on the 30th November. Their terms were rejected for reasons which are still obscure but into which personal motives entered. The result was that the month of November opened with the news trumpeted throughout the American press that China was a defaulter in the matter of the interest on an American loan of  $5\frac{1}{2}$  millions and that her whole position was so compromised that withdrawal of recognition of her government was possible. This coupled with the ceaseless propaganda by the Southern or Canton government tended to create an atmosphere wholly unsatisfactory to a realization of the aims and objects of the conference. For Secretary Hughes to have allowed such developments shows that his time

was monopolized by other matters, and that he was bereft of competent help.

With the main portion of America's China policy—finance—effectively alienated from the control of the government no liberty of action was left.

### III

Since July there had been subtle modifications in other directions. The attitude of the British empire *bloc* had changed, partly owing to the fact that British Imperial representation was very different from what it had been in London, and partly owing to the passing of the mood which had then been predominant. The absence of Mr. Lloyd George, with his phenomenal quickness and political intelligence, was a handicap which was never surmounted: his leadership would have made all the difference not only in the conference hall, but in stimulating and keeping alive the interest of the dominant factor—the American people. It was also made a little too plain that what Secretary Hughes was anxious about was Mr. Balfour's vote. Easily influenced by others, and with a weak Department behind him, which had never known how to utilize the great stacks of information which had been accumulated throughout the years, Secretary Hughes needed support and plainly showed it. The men associated with him belonged to bygone days, and never once realized how far even

✓ ✓ ✓

the Eastern world had swept beyond them. Tied to pre-war formulas they could lend little assistance in framing the new lexicon.

All these considerations, important as they proved to in the detailed phases of the discussion, were swept aside by the immense effect produced by Secretary Hughes' opening speech of the 12th November on the scrapping of capital ships. It was an earnest example of what America can really do when she works up a question; grasps every detail, and puts into it her granite resolution. It was as if a salvo had been fired over the conference by all the heavy guns of the condemned vessels! Men were deafened and stunned. The brilliance of the stroke was heightened by the circumstances in which it had been delivered. The Armistice Day ceremony at Arlington cemetery hung like a halo over the assembly, which was in the main a gathering of delegates who knew in its bitterest sense the meaning of war. So immense was the moral effect that there was no end to the roaring echoes. Nothing since the enunciation of the Monroe Doctrine had equalled it; it was almost the first occasion for nearly a century that American policy had boldly gone forward without frittering away valuable time. That as in the case of the Monroe Doctrine the ground had been prepared in England was a significant matter tending to prove that there must always be a Canning before there can be a Monroe. . . . Equality between the British and American navies having already been accepted as a

principle in London, the rest was merely a question of calculation and accommodation.

Yet in spite of this happy and significant opening the first ominous circumstance came to the surface with dramatic swiftness. It was a circumstance which would not have been deemed ominous by any one not acquainted with human nature. Secretary Hughes, the man on whom everything hinged as chairman of the conference, was going about in such an exalted mood that his feet hardly touched earth. Unaccustomed to such scenes, the wine had mounted to his head at a moment when the real struggle had hardly commenced.

Two days later—on the 14th November—came the formal speeches of acceptance of the American plan by Britain, France, Japan and Italy. In the French speech there transpired the first indication that land armaments would prove a fatal issue. “Gentlemen,” said Premier Briand, “when it comes on the agenda, as it will inevitably come, to the question of land armament, a question particularly delicate for France, as you are all aware, we have no intention to eschew it.” Fateful words indeed which should have been anticipated in July.

The very next day thoughtfulness had invaded the American camp. There was a perceptible slowing-down whilst the question of Committees and sub-Committees was proceeded with by the Committee of the Whole. The deafness from the great salvo of

the 12th November was wearing off and diplomacy was slowly coming to life again.

## IV

A few minutes before the midnight on the 15th November the senior Chinese delegate on returning home found a note from the State Department informing him that China would be required to state her case next morning at 10:30 o'clock before the Committee of the Whole. The hour was already so late that it was necessary to rouse every one and prepare for an all-night sitting. Not that the Chinese delegation had not already fully discussed its position and its problem. Of all the delegations in Washington the Chinese delegation was the most numerous, with the possible exception of Japan. It contained many capable men. The dossier of China's griefs drawn-up in Peking comprised some thirty major issues: but preliminary examination and discussion in Washington had shown that condensation was imperative. That had already been done,—but faced now with a categorical request to state their case, the delegation fell back on the sub-head in the Agenda which read—"Principles to be observed." The night of the 15-16th November was consumed in working out what seemed a legalistic presentation of those principles for the morrow.

Whether the Chinese Delegation can be blamed for this in view of the scant help they received from the

convening Power is doubtful. The risks of a diplomatic career among oriental nations are not small. In the middle ages, if an ambassador was too aggressive he was apt to be executed by the potentate to whom he was accredited, but if he was not aggressive enough he ran a chance of a similar fate at the hands of his own master. While it is true that these days have long passed in the East, something of the psychology remains. This factor tends to promote obscurantism and an avoidance of any irrevocable acts until the ground is well mapped-out and reasonably safe. Secretary Hughes' defence of his action was that the United States had in the case of China nothing comparable to her naval surrender to offer to the Powers. Yet this does not accord with the facts. The United States had a large number of things to offer: her terrifically strong financial position placed all the others at her mercy. She could have forced prompt acquiescence in several matters. There was, for instance, her Tariff treaty with China of 1903 which had never been executed and which could have been made the excuse for a remarkable gesture conceding to China a new freedom and calling upon other nations to follow suit. Had she made any preliminary inquiries she would have learnt that the Chinese Delegation was in possession of a Memorandum by the competent British officials in the Chinese Customs headquarters recommending, in return for abolition of export and coast trade duties, the 12½% Import Tariff, which she in company with

England and Japan had agreed to 20 years before. That would have solved at one stroke most of China's financial difficulties. There was also the general financial question which could have been immeasurably simplified by the announcement of an American funding plan for all the Chinese unfunded debt. Had that been done opposition would have been speedily overcome, since it would have been impossible for nations similarly placed in the matter of their debt to the United States to have refused to acquiesce in a policy for China which they sought for themselves. An open session devoted to Chinese issues, permitting the Chinese delegates to give the world a proper view of their national dilemma, and allowing the United States to take the lead in accepting far-reaching modifications in fiscal-financial matters would have registered an advance as far-reaching in Chinese reform as the naval advance.

It is my belief that the Chinese Delegation should have declined to make any initial statement except in public session. That they would have been supported by American opinion and won their point is absolutely certain. That even a conference of men of genius would have been puzzled by the precise value of the memorandum which they actually presented is certain when the unfamiliar nature of the subject-matter is remembered. When the newspapers added the next day that China had had the advantage of the advice of the retired American offi-

cials who had been most prominent in the China debacle of 1917 they had said more than they knew.

## v

The Memorandum read by the Senior Chinese Delegate on the morning of the 16th November was as follows:

“In view of the fact that China must necessarily play an important part in the deliberation of this Conference with reference to the political situation in the Far East, the Chinese Delegation has thought it proper that they should take the first possible opportunity to state certain General Principles which, in their opinion, should guide the Conference in the determinations which it is to make. Certain of the specific applications of the Principles which it is expected that the Conference will make, it is our intention later to bring forward, but at the present time it is deemed sufficient simply to propose the principles which I shall presently read. In formulating these principles, the purpose has been kept steadily in view of obtaining rules in accordance with which existing and possible future political and economic problems in the Far East and the Pacific may be most justly settled and with due regard to the rights and legitimate interests of all the Powers concerned. Thus it has been sought to harmonize the particular interests of China with the general interests of all the world. China is anxious to play her part not only in maintaining peace, but in promoting the material advancement and the cultural development of all the nations. She wishes to make her vast natural resources available to all peoples who need them, and in return to receive the benefits of free and equal intercourse with

them. In order that she may do this, it is necessary that she should have every possible opportunity to develop her political institution in accordance with the genius and needs of her own people. China is now contending with certain difficult problems which necessarily arise, when any country makes a radical change in her form of Government.

"These problems she will be able to solve if given the opportunity to do so. This means not only that she should be freed from the danger or threat of foreign aggression, but that, so far as circumstances will possibly permit, she be relieved from limitations which now deprive her of autonomous administrative action and prevent her from securing adequate public revenues.

"In conformity with the agenda of the Conference, the Chinese Government proposes for the consideration of and adoption by the Conference the following General Principles to be applied in the determination of the questions relating to China:

- "1. (a) The Powers engage to respect and observe the territorial integrity and political and administrative independence of the Chinese Republic.  
(b) China upon her part is prepared to give an undertaking not to alienate or lease any portion of her territory or littoral to any Power.
- "2. China, being in full accord with the principle of the so-called open door or equal opportunity for the commerce and industry of all nations having treaty relations with China, is prepared to accept and apply it in all parts of the Chinese Republic without exception.
- "3. With a view to strengthening mutual confidence and maintaining peace in the Pacific and the Far East, the Powers agree not to conclude between themselves any treaty or agreement directly affecting China or the

general peace in these regions without previously notifying China and giving to her an opportunity to participate.

- “4. All special rights, privileges, immunities or commitments, whatever their character or contractual basis, claimed by any of the Powers in or relating to China are to be declared, and all such or future claims not so made known are to be deemed null and void. The rights, privileges, immunities and commitments now known or to be declared are to be examined with a view to determining their scope and validity and, if valid, to harmonizing them with one another and with the principles declared by this Conference.
- “5. Immediately or as soon as circumstances will permit, existing limitations upon China’s political jurisdictional and administrative freedom of action are to be removed.
- “6. Reasonable, definite terms of duration are to be attached to China’s present commitments which are without time limits.
- “7. In the interpretation of instruments granting special rights or privileges, the well established principle of construction that such grants shall be strictly construed in favour of the grantors, is to be observed.
- “8. China’s rights as a neutral are to be fully respected in future wars to which she is not a party.
- “9. Provision is to be made for the peaceful settlement of international disputes in the Pacific and the Far East.
- “10. Provision is to be made for future conferences to be held from time to time for the discussion of international questions relative to the Pacific and the Far East, as a basis for the determination of common policies of the Signatory Powers in relation thereto.”

The Memorandum made no great impression on the public, which began to believe that the Far Eastern question was really an insoluble Chinese puzzle. It seemed to assume that the Conference proposed to sit indefinitely; that alone was enough to produce an undercurrent of hostility. Did the men of the Far East not realize that the world had no time to waste on fine points? The Chinese attitude was judged defensive and doctrinaire; and a Far Eastern Committee was organized to classify the subjects to be considered.

On the 19th November the various delegations addressed the Committee but the only remarks of importance came from Japan. The Japanese spokesman significantly expressed the hope that the Conference would not go into many details. "We should regret undue protraction of the discussions by detailed examination of innumerable minor matters. All this Conference can achieve, it seems to us, is to adjust China's foreign relations, leaving her domestic situation to be worked out by the Chinese themselves."

Clever remarks in all truth since the domestic situation was very largely the product of China's deeply entangled foreign relations. Everything internally hinged on a change in China's international commitments. The less you changed the international commitments the more you intensified the factors work-

ing against an improvement of the domestic situation: it was like a proposition in elementary geometry. The American delegation became gradually aware of their tactical error. It was realized once more that Japan, and what she stood for, had really brought about the Conference. It was necessary to show a little more directness. But how? In less than a week the sunny situation had been radically altered. Anxious to make a clear starting-point, on the 21st November the following four Resolutions by Mr. Elihu Root were framed and finally adopted:

"It is the firm intention of the Powers attending this Conference hereinafter mentioned, to wit, the United States of America, Belgium, the British Empire, France, Italy, Japan, the Netherlands and Portugal:

"(1) To respect the sovereignty, the independence and the territorial and administrative integrity of China.

"(2) To provide the fullest and most unembarrassed opportunity to China to develop and maintain for herself effective and stable government.

"(3) To use their influence for the purpose of effectually establishing and maintaining the principle of equal opportunity for the commerce and industry of all nations throughout the territory of China.

"(4) To refrain from taking advantage of the present conditions in order to seek special rights or privileges which would abridge the rights of the subjects or citizens of friendly States and from countenancing action inimical to the security of such States."

That was all. In one leap the United States had got back to John Hay and the Open Door, plus the

accretions which had come naturally enough with the passage of twenty years; and with another leap vested interests jumped joyfully after them. A British official spokesman let it be promptly known that the four accepted principles in British opinion meant accepting of railroad concessions held by the Powers; and continued supervision of China's Customs.

The Chinese Delegation was deeply aroused. Were these marble halls in which they were meeting merely a handsome sarcophagus for a spirit that was dead? They hastened in committee to bring up all the old stalking-horses, tariff autonomy, extra-territoriality, foreign post-offices, foreign railway-guards and police, leased territories, wireless installations, hoping that this would restore the balance. But it was too late. The die had been cast. Having leaned on principles, the principles (as Mr. Viviani had wittily remarked on another occasion) were giving way in the manner inevitable when generalities are involved.

But China on the particular date when the Root Resolutions were made public (21st November) was already out of the limelight. France, in the person of Mr. Briand, occupied the centre of the stage and the folly of introducing the question of land-armaments was made clear.

## VII

If Russia, Poland, Rumania, Greece, Czechoslovakia and Jugo-Slavia had been represented it

would have been reasonable and prudent to discuss armies; for then some such plan as the League of Nations has elaborated could have been seriously taken up. Without them, France's stand was so obvious that it was hardly worth while encountering an open rebuff. If the French had been more astute, instead of basing their refusal to consider the matter on the evidences that German militarism was merely dormant, and that Russian militarism was an actual menace, they would have accepted land disarmament "in principle" and asked for a plan to cover all Europe; then what would the United States have done? Would she have worked out schedules after the capital ship manner and asked Powers not invited to attend to give their adhesion by telegraph? What would her method have been in regard to Russia; and how would she have considered a reply from Poland,—that she was perfectly willing to demobilize completely if guarantees could be obtained from the Soviet Government? And how in such circumstances could America have continued to decline to treat with the Soviet Government even indirectly, if she intervened in Russia's domestic affairs to the extent of fixing the standard of her army? The serious error of bringing forward a proposition which could be properly considered only with an attendance of nations as representative of land-strength as the conference was of sea-strength cannot be better exemplified than by these few unanswerable questions. For once, let it be confessed, the French were *trop simpliste*.

They went straight to the point and gave their honest and direct opinion. They should not have done this! They should have transfixed Secretary Hughes with a complete, whole-hearted, brilliantly-worded acceptance. That would have sent him running to President Harding, tearing his hair as soon as he had realized the implications, and asking for his draft of his association of nations. For it would have meant not only Geneva and The Hague for the United States but a permanent entanglement across the Atlantic of a far worse nature than President Wilson ever wrought. America should bless Premier Briand. The presence of the French Prime Minister did much to embarrass matters and nothing to assist them according to the popular view and M. Briand gave the conference such a perfect cold douche on the morning of the 21st November that it was never forgotten. As a matter of fact his honesty saved the United States and ruined his political future,—a conclusion which in a year or two Americans will be willing to admit.

In regard to the Conference agenda the matter had particular significance. It cancelled the entire European portion, and in doing so left such bad blood that the settlement of the submarine ratio was out of the question.

## VIII

Meanwhile China was pegging along in committee more or less methodically with her own affairs. The

tariff question was quite rightly made the centre of her case. That it could have been made dramatic and popular, had the matter been presented in a public session, is certain. Here was a matter sufficiently familiar to the mass of people throughout the world as a general issue to have the particular iniquity of this instance arrest their concern. China eighty years ago had had a perpetual 5% tariff imposed upon her at the cannon's mouth: that was a splendid beginning. Every effort to escape from this iron mould had failed, and her public finances had been reduced to a state of terrific disorder approaching bankruptcy because the civilized world, through the commercial treaties, held her in mortmain. Even the 5% Tariff had not been observed owing to the refusal of various Powers to revise the specific duties on the basis of values, the loss owing to a non-effective tariff (which in practice amounted to only 3½%) having been in the twenty years since the Boxer indemnities \$300,000,000 gross. An indemnity should have been asked from the Conference of this amount—three hundred million dollars to be divided on the averages of the import and export trade.

With such an introduction the ground would have been cleared for a precise examination of the future. The world needed raw materials. It was the insistent cry of Japan that only in the Chinese provinces could she find the surplus she so badly needed. China was prepared to accept this position and do

everything to facilitate exports. Inasmuch as the abolition of internal trade taxation (*likin*) was difficult and cumbersome until the Republic was better organized, she should have offered in lieu thereof the total abolition of all export and coast trade duties in return for the 12½% tariff which had been agreed upon after the Boxer settlement and never enforced because of the conditions attached to it. To Japan she could have held out the additional bait that the whole of the borrowings made during the war-period would be "inscribed" in the gilt-edged list secured on Customs receipts.

Why was something like this not done? No one knows. The Customs Administration in China, as I have already said, not only advocated this plan, but had written a strong memorandum on the subject which was never produced. Inasmuch as the issue was one primarily affecting the business community it should have been argued not from the juridical but from the purely commercial standpoint. The failure to hold out an immediate tangible gain to the commercial community meant the failure of the whole proposal.

The discussion was continued in ensuing days in the same vein and with much the same results, the general unfamiliarity of the American delegation with the technical details rendering progress difficult, and fortifying the arguments of the last ditchers who declared that additional revenue raised from this source would shackle trade and be wasted. A con-

sideration of extraterritoriality resulted in its shelving by the method of appointing an International Commission of Jurists who would visit China and report to their respective governments as to the ability of the Chinese authorities to take over the full administration of justice exercised by foreign tribunals under the extraterritorial privileges. No attempt was made to consider the possibility of building up a new practice suited to the transitory conditions—such as conceding China full police-authority in new areas opened to trade and industry, with police-power of fining and expulsion but not of imprisonment. In presenting the case for the withdrawal of foreign troops from Chinese soil, the same procedure was scrupulously followed. China placed the whole dossier on the table and the assembled Powers dropped it sheet by sheet into the waste-paper basket. The case of the garrisons maintained in North China under the Boxer Protocol of 1901 was mixed up in the mind of the conference with the entirely different problem of Japanese railway guards in Manchuria and Shantung and the system of police-boxes. No attempt was made to disentangle the issues. Foreign post-offices in China fared better since this was a trumpery issue and withdrawal of them was promised. But even here over the matter of the date of the withdrawal, the Japanese contrived to delay a decision for several weeks on the plea that the matter had to be referred to Tokyo, and that Tokyo did not reply.

Leased territories were similarly presented *en bloc*, a serious error in tactics since the case of various leased territories was different. Had the story, for instance, been simply told of how the Kowloon leased territory had been extended in 1899 far beyond what the British military authorities had asked for it could not have failed to create a profound impression. Kowloon, a strip of territory on the mainland opposite Hongkong, was ceded to Britain in 1860 after being held on a personal lease by Sir Harry Parkes (an early empire-builder) from the time of the cession of Hongkong Island (1842). In 1898 the question of obtaining more territory as a military protection for Hongkong harbour arose. The British General Officer Commanding asked for the hilly ground of the mainland to the skyline as a military measure to secure that hostile artillery could not dominate the shipping, but Peking diplomacy considered this a very mild and unintelligent request and put in an application for a lease of 300 square miles consisting of the whole peninsula south of a line drawn between Deep Bay and Mirs Bay, together with the islands of Lantao and the Lammas. A return of territory superfluous both from the military and commercial viewpoint could have been reasonably asked for; since Britain is not in China as a colonizing power but merely as a trader.

Nothing of this transpired.

Nor in the case of the Port Arthur lease—which according to the original agreement expires on the

23rd March, 1923—were the facts made plain, as will be shown later. It is true that the words having an evil omen, the three Powers with territorial leases—England, France and Japan—were anxious to display an accommodating spirit. Japan reiterated, as she had declared times without number, that she would return the Kiaochow lease as soon as negotiations had settled the details. France announced that she was prepared to abandon Kwangchow Wan and England declared that she was ready to do the same with Weihsien. That was all. Then the discussion passed hastily to wireless installations and led to tedious scenes with delegates talking about wave-lengths to show their familiarity with the ether of space.

But this sort of thing could not go on much longer. The arrival of a number of independent representatives from China, who wanted to know more and more insistently when it was proposed to bring up what was essential to the peace and happiness of the Chinese people—Shantung and the Twenty-one Demands—gave an ugly tone to proceedings and made more drastic action imperative. There was such open disappointment among all classes in every part of the disturbed Republic that explosions seemed likely. America, which had been the most popular country on earth, was rapidly falling under the same ban as the others. It was openly declared that she had convoked this gathering for her own selfish ends, and was deliberately keeping China in a subordinate

## 178 AN INDISCREET CHRONICLE

and humiliating position so as to placate Japan.

Violence was becoming possible. . . .

The Chinese Delegation communicated their fears to the Chairman of the Conference, who invoked Mr. Balfour's help. It began to dawn on all that something had to be done rapidly if the Conference was not to break down. Conversations on Shantung between Japan and China outside the Conference, but with British and American official observers present, were rapidly agreed upon.

After three weeks' delay, due to lack of preparation and lack of expert advice, the Conference was beginning to see where the essentials lay.

NOTE: See Appendix, p. 308.

## PART VII

### CLIMAX AND ANTI-CLIMAX

#### I

ON the 1st December in the presence of Secretary Hughes and Mr. Balfour, the Japanese and Chinese Delegates met and began their Shantung conversations, which lasted nearly two months, and required in the end the personal intervention of President Harding in the one matter of importance (the ownership and control of the Shantung railway). The Chinese Delegates, on leaving their official quarters, were greeted with angry cries from fellow-countrymen who were enraged by what they deemed was a surrender. Conversations with Japan meant what had been utterly opposed—direct negotiations. It seemed to these bystanders, who represented a patriotic emotion which had been boiling and bubbling for years, that for their officials to go into a room and privately discuss the matter with Japanese officials, instead of declaring the truth publicly, was a dreadful piece of blacksliding. Yet it was a sound and sensible procedure. Direct negotiations between China and Japan, with American and British observers present, was what the Far East needed to solve most of its difficulties. There were indeed only four factors of importance in the Far East and they were

all in the room when Japan met China, and England and America were present. In any case the time for heroics was over: it was a question of making up as quickly as possible for the loss of time and the decline in public interest which had been brought about by the initial incompetence. Throughout these separate negotiations Japan showed herself meticulous but reasonable as she naturally is once she is convinced that unfair advantage is not being taken of her, the Shantung railway impasse being solely due to the wrong-headed policy which postponed considering the essential matter until the end. Regarding all matters Japan was indeed breathing more easily. If she still delayed, bargained and sometimes showed stubbornness, it was largely due to the manner in which the conference had gone to work and the necessity to secure that no one should afterwards say that a public reckoning had been called and that she had been found wanting.

## II

Whilst the issue which had brought President Wilson to the ground was quietly debated in English from day to day in a room full of Japanese and Chinese—over whose shoulders looked wonderingly American and British observers—elsewhere the general play proceeded. In the Committee on Far Eastern and Pacific Affairs the first week in December was made noteworthy by a renewed attempt to find a formula to cover the withdrawal of all foreign

troops from Chinese territory—including Japan's railway guards in South Manchuria—and the rendition of the leased territories.

Both matters fared badly. It was not so much that there was undue haste, as an undue desire to curtail discussion and not to explore all the possibilities of a situation which was by no means complex. Simple solutions were available. The absence of quick-witted negotiators was never worse felt than at this point. Had Mr. Lloyd George been present it is quite certain that he would have found acceptable solutions. The American delegation, overwhelmed by the multiplicity of issues and their unfamiliarity with the practical aspects, were too easily led into by-paths and too plainly anxious to avoid deadlocks. Anything remotely resembling Paris would have shocked them beyond recovery: thus they were daily placed between Scylla and Charybdis. In any case, they were far more deeply interested in the private conversations now proceeding on the second great subject of the conference—the Anglo-Japanese Alliance—than in the question of skeleton garrisons in remote spots in China, or in the disputed authority over strips of territory through which ran strangely-named railways. That in such circumstances the conviction should have grown even among the members of the Chinese Delegation that they were mere catspaws was not very strange. The chiefs of the Delegations remained diplomatically silent, the others were more vocal. Resignations were the order of the day and

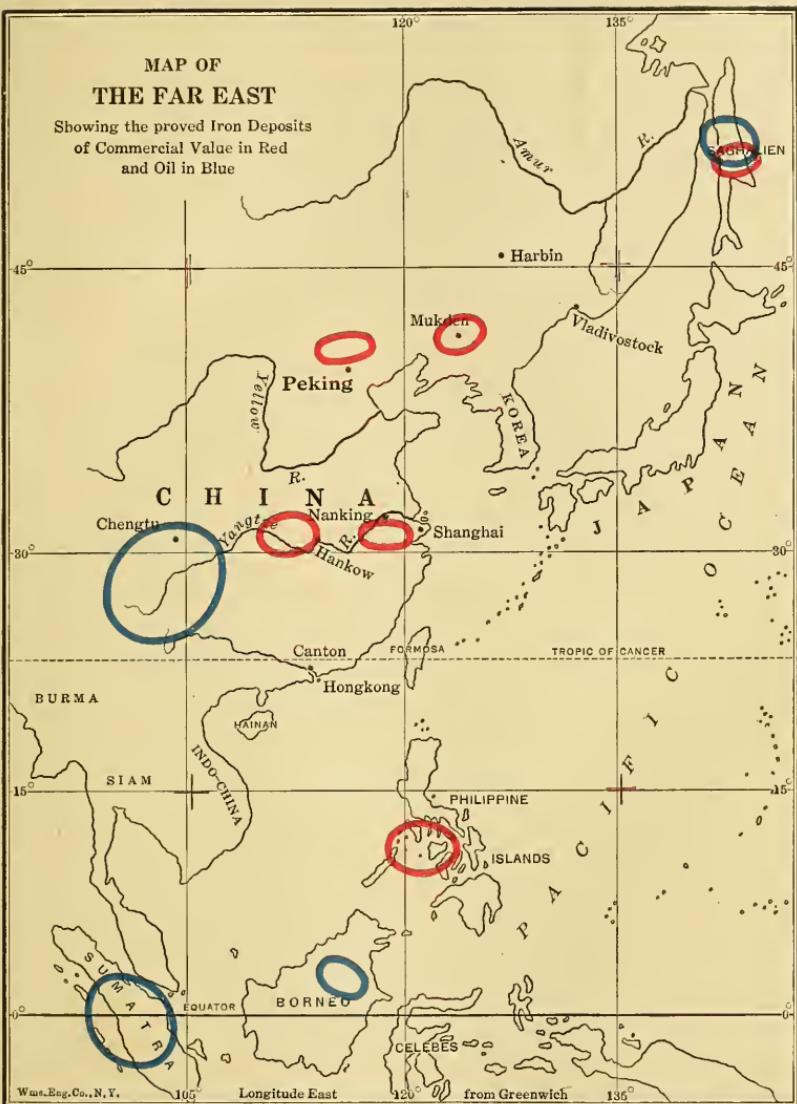
matters came to a head when the Secretary-General of the Delegation resigned and coolly published the following remarkable explanation of his action, which merits permanent record as a useful footnote on conference tactics:

"The Washington Conference enters to-day its fourth week. So far as China is concerned, the results are so completely negative as to suggest that China was only summoned to provide the necessary background for the naval disarmament proposals and not for the purpose of rehabilitating her as a sovereign nation. In no single proposal laid before the Conference by her has anything but a stalemate been produced. In the questions affecting the tariff, the post-office, extraterritoriality, wireless installations, foreign troops, foreign police and leased territories, the delegates of the Powers assembled in Washington have displayed no disposition as a body to accede to reasonable demands, or to distinguish between what are violations of Chinese sovereignty, without a vestige of sanction in the treaties made between China and foreign nations, which should be immediately redressed, and what are matters sanctioned by treaty which China requires amended or modified.

"In the first category fall post offices, wireless installations, foreign garrisons other than those covered by the protocol of 1901, and all foreign police. Had there been any desire to do China justice, all these flagrant violations would have been dealt with, particularly such a matter as the foreign post-offices, for which she has asked no compensation. In the crucial matter of the customs tariff China has suffered since the year 1902, when all the powers solemnly agreed to secure for her an effective 5 per cent by constant revision a gross loss estimated to amount to no less than \$300,000,000 in the aggregate, which alone accounts for the present dis-

# MAP OF THE FAR EAST

Showing the proved Iron Deposits  
of Commercial Value in Red  
and Oil in Blue





ordered state of her national finances. China has filed no demand for an indemnity amounting to the difference in the tariff levy between what has been stipulated for by the treaties and what has been actually collected. She has limited herself to asking for the 12½% rate provided for under certain stipulations by treaties nearly twenty years old.

"The indications are at present that there is no likelihood at all of even a substantial increase being agreed to although every country in the world has made enormous tariff increases since the war, even India having raised an 11% tariff against British goods. The course consistently followed by the conference has been after perfunctory discussion and agreement in principle, to relegate each matter to a committee which has buried it by adopting a meaningless formula apparently conceived in a spirit of cynical disbelief in China's bona fides.

"The very latest discussions have disclosed the fact that although the new consortium of foreign banks has ever since its formation declared in categorical terms that the inclusion of Japan within the banking group had been accompanied by an abandonment by her of her claims to special privileges in South Manchuria and Eastern Inner Mongolia, the very opposite is the case, Japan insisting on certain rights in these regions which prove that the statements of the consortium to China are meaningless and untrue.

"Meanwhile, the newspapers, supplied with official commüniqués and statements from day to day, have contributed largely to building up in the mind of the public, particularly the American public, the idea that not only was substantial progress being registered, but that China was being delivered from the bondage and restraint in which she has languished for so many years and that her dearest hopes were being realized. Thus the valuable support of American public opinion on which China has counted so much in the past and on which she relies so much in the future has not been avail-

able to aid in the great work of liberation and regeneration which is so stubbornly opposed by Governments and vested interests because a bound and captive China is easier to exploit."

### III

These signs and portents were by no means ignored: for up on the hill, not more than a mile or two away, the ratifying body sat silently observing what was going on. Almost ironically the very next day the Far Eastern Committee voted a resolution establishing China's right to remain a neutral in future wars to which she was not a party, which had been established for the civilized world for over 200 years but which no one had so far admitted should extend to Eastern Asia, unless, of course, there were armaments to back up international law as in the case of Japan.

But this was by-play. The burial garment of the Anglo-Japanese Alliance was the matter engaging attention and provoking as many whispers as if this had been a congress of modistes. It was necessary to get on with things. But how? Mr. Elihu Root went to Mr. Balfour and talked very confidentially; then Mr. Balfour went to Prince Tokugawa; and Secretary Hughes visited them all. Monsieur Viviani, left behind by Premier Briand, nodded his head and affirmed France's readiness to do anything that contributed to French prestige. Telegrams passed rapidly between Tokyo and Washington. It was felt only right that Japan should have, as it were,

the initiative in the matter as the course of events had indeed been devious and somewhat humiliating for her. A rough draft of the agreement had been brought from London. But in the British draft Clause IV was missing. The whole point was to allow Japan to write in Clause IV, which definitely terminated the Anglo-Japanese Alliance as well as her own liberty of action, and brought things back to where they had been before 1902.

At last it was done—more quickly than any one had supposed possible. An open session of the Conference was arranged for the very minute the necessary confirmatory telegrams came through from Tokyo—an open session rushed through so quickly that there was hardly time to get the tickets out.

On the 10th December, with the galleries crowded, the public ceremony of announcing what had been done was carried out in a form suitable to the Senate and people of the United States, who appeared every whit as hard to handle as the Senate and people of Rome. To Senator Lodge was confided the task of making an oration in which the glamour of the Isles of the Pacific would be made so alluring that the possibility of the arrangement being regarded as that dreadful thing, an Alliance, would be banished. Senator Lodge, in accents childlike and bland, exposed the geographical factors. This vast Pacific Ocean, these many nations grouped on its shores, these blessed isles—who could resist the feeling that a Treaty was precisely what they needed to round them off and

make them content? In all history there never was such a case calling so urgently for a Treaty; something which would assuage all evil passions and make Guam feel sisterly towards the Carolines; something which would prove more clearly than spoken words that it was no longer a crime within the meaning of the act to be a Pacific. . . .

Thus his general argument—more or less. Then the actual document, the reading of which he made appropriately enough like the reading of a will. The galaxy of names of the plenipotentiaries was an entralling introduction: how many notable ones were actually sitting round the green baize table! Then article one and article two and article three—all sounding oddly like Anglo-Japanese Alliance articles, fumigated, sterilized, deodorized. Last of all Article IV: "This Treaty shall be ratified as soon as possible in accordance with the constitutional methods of the high contracting parties, and shall take effect on the deposit of ratification which shall take place at Washington and whereupon the agreement between Great Britain and Japan which was concluded in London on July 13, 1911, shall terminate."

It was only the last clause that was interesting and important. The rest was padding. Through the forest of black coats and white collars I could see in profile, motionless and sober, the distinguished head of Mr. Balfour. As the last sentence sounded and the Anglo-Japanese Alliance publicly perished, his head fell forward on his chest exactly as if the spinal

chord had been severed. It was an amazing revelation of what the Japanese Treaty had meant to the men of a vanished age. It was the spinal chord that had been severed. The last time I had seen it done in precisely the same way (by a single shot) was twenty-one years before in the forgotten siege of the Peking Legations, when through a loophole the same fate sped forward and overtook a man as uneasy dawn came after a rather dreadful night. Dawn had come here, too, after a dreadful night. The head of stereotyped diplomacy had fallen forward—the vital chord severed—and new figures hereafter would monopolize the scene.

As Senator Lodge sat down the nearest ladies of the Advisory Committee, sitting in a double row of twenty-one, symbolizing the eternal vigilance of the American people, had become so excited that they rose and patted the Senator approvingly and whispered words to him. It had been done so beautifully. The nerve was out; there had been no pain to speak of; really modern surgery was wonderful. For a few fleeting minutes the magnificence of the opening session was duplicated.

But already Mr. Balfour had risen on the invitation of the chairman and commenced speaking. It was the new Mr. Balfour, accepting the position like a gentleman, and justifying the corpse lying beside him in well-chosen words. It was done smoothly in the style of the adept parliamentarian, and when it was ended the great applause signified that every

one had understood not what he had said but what had been left out. His had been the hand that had signed the original Alliance twenty years before; and no doubt it had been bitter and painful to see policy pass far beyond into new and strange fields.

## IV

The infinite pains made to present a perfectly innocuous document to the public, so that the bugbear of entangling alliances should not be raised, was not as successful as had been hoped.<sup>1</sup> Within forty-eight hours, the man who would have been a Prime Minister, had he been born in England instead of Idaho, got to work. Senator Borah's remarks in the first Senate debate on the Treaty were as remarkable and as much to the point as his previous argumentation had been. The legislator whose tenacity and integrity had been solely responsible for the convening of this remarkable conference—which would have been still more remarkable had his plan of a tripartite naval conference (*plus* a consideration of the Pacific and Far Eastern problems) been followed—was asking some plain questions which were plainly unanswerable. The Conference had been in session a month, he said, and in all probability would shortly close. Although the cessation of the building of capi-

✓ <sup>1</sup>The Four-Power Treaty was ratified by the Senate on 24th March, 1922, with this important Reservation:

"The United States understands that under the statement in the preamble, or under the terms of the treaty, there is no commitment to armed force, no alliance, no obligation to join in any defence."

tal ships was in a fair way towards becoming an accomplished fact, that only covered the question of national economy. What promise was there that the real weapons of war—those instruments which all experts were agreed would be the instruments with which the next war would be carried out—would be dealt with? Incautious Mr. Borah, always going straight for the main point, when even open diplomacy goes round every possible corner and so ostentatiously sits down to think whenever the “brass tacks” stage is reached. Here was the submarine poking its periscope up under the very dome of the Capitol! And then he aptly pointed out that as in the case of the Anglo-Japanese Alliance so now the new instrument embodied principles to which China was not considered worthy to be asked to subscribe.

The next day the Conference was not so optimistic about ratification. The Senator from Idaho was always pulling things up by the roots to see how they were growing. The habit just now appeared politically atrocious. Still that day (13th December) the Treaty was duly signed by the four Powers, with the American reservation regarding the mandated islands tacked to it, and a growing conviction that there would be a far stiffer reservation attached by the Senate. And as if encouraged to action by these events, the Chinese Delegation delivered a vigorous attack on the subject of the famous Twenty-one Demands and the abolition of spheres of influence—sub-

jects which should have been the head and front of their first assault a month before.

It was not for nothing that Secretary Hughes was a lawyer: he abruptly adjourned the meeting so that something more pleasant could be dealt with. How indeed could he risk a rupture with Japan at this stage when the 5:5:3 ratio had just been settled—after one month's acrimonious expert debate—by the retention of the superdreadnought “Mutsu” and a corresponding modification all round? Besides was not work on the Nine-Power Treaty—that marvelously cheerful and vague document which was to be the apotheosis of the Four Root Principles—so actively proceeding that it was almost ready? America could not be expected to force Japan out of Manchuria as well as out of Shantung. Caution not audacity was necessary, especially as Japan was holding up Shantung over the railway question just as she had held up the capital ship ratio over the “Mutsu.”

There were other anxious matters. England had at last brought up submarines, and without directly revealing what had taken place in regard to the closing of the English Channel was forging closer and closer to that revelation. A “compromise” plan on the basis of the capital ship ratio which would take existing tonnage as the model, was defeated. Christmas had almost arrived and the season of peace and goodwill found every one bitter. The Shantung deadlock was held firm by Japan so as to block the

Manchurian issue. Every one remained officially hopeful—with that official hopefulness which comes from a complete absence of convictions. Yet nothing had been done about Manchuria or the Chinese tariff or the open door and the short January days would soon pass away.

## v

With the coming of a new year and the dropping of the vexed question of armaments Secretary Hughes began to work with the truly volcanic energy of which he is capable on a typical "American plan" for all China's difficulties, past, present, and future.

It was high time. The failure recorded in the submarine question, as well as in the matter of auxiliary ships, had seriously weakened the final value of the naval accord. The errors of November were fast coming home to roost. Significant articles, declaring that there was only "one inch between Wilson and Hughes" and that "the Wilsonization of the Secretary of State" would live as one of the most curious products of the Conference, were by no means to be ignored. Nor was the growing irritation in the Senate a matter to be lightly treated. In spite of unabated official optimism there was still no means of knowing whether the two-thirds ratification majority could be really counted upon against the tempestuous oratory of the irreconcilables.

Pressure in the main committee and the sub-committees consequently increased and there was much

plain speaking. Why not an international board of reference to maintain the open door in China—with a retroactive clause? The Secretary of State suddenly brought forward a complete plan in four clauses. The Japanese, French, and British, for once uniting in a queer company because they apprehended that vested interests were at stake, declared that they were ready for any kind of action except retroaction. Could you ever really go backwards even in China—unless, of course, you happened to be Chinese? Sideways was a possible method—inaction another, which had been highly popular throughout the years; but retroaction never!

Two days were devoted to a debate in which these Powers explained their honesty of purpose and their resolve to support the proposals fully and entirely except in this one matter. The French were particularly concerned regarding the principle of upsetting commitments already registered by Treaty; for if there was a retroactive clause in Chinese affairs might not the principle be extended, as some very ardently desired, to European treaties? Everybody spoke, the Japanese more economically than any one else but with telling irony.

Retroactivity, which now began to sound in the ears of the tired delegates as if Einstein had slipped in amongst them, was openly abandoned. Secretary Hughes fired a heavy ear-guard salvo by suddenly proposing that all nations must file their commitments in China, secret and otherwise. This was

finally accepted with the tacit understanding that the contracts of private individuals must stand outside, but that all new commitments under the agreement would be communicated to signatory powers within sixty days. China took the first and only action in this matter by solemnly communicating to the conference the official text (obtained by telegraph) of the forgotten secret treaty made thirty-one years before in Petrograd between the Tsars of Muscovy and the Manchus after the Sino-Japanese war. Those who had already read Count Witte's Memoirs learnt nothing new. Those whose reading does not carry them to books exclaimed at the commonplace nature of the secret—not knowing that all secret diplomacy when it is unbared resembles remarkably the empty cupboard which Mother Hubbard once opened to the confusion of her poor dog. . . .

Still full official publication of the Treaty was important, if for no other purpose than to prove how faulty Russian imperial policy had been, and how differently history might have unrolled had advantage been taken in 1905 during the Russo-Japanese War of rights freely conceded by China. The document is worthy of being recorded.

**"TREATY OF ALLIANCE BETWEEN CHINA AND  
RUSSIA—MAY, 1896**

*"Article 1.* The high contracting parties engage to support each other reciprocally by all their land and sea forces in case of any aggression directed by Japan against Russian territory in Eastern Asia, China or Korea.

*“Article 2.* No treaty of peace with an adverse party can be concluded by either of them without the consent of the other.

*“Article 3.* During military operations all Chinese ports shall be open to Russian vessels.

*“Article 4.* The Chinese Government consents to the construction of a railway across the Province of Amur and Kirin in the direction of Vladivostock. The construction and exploitation of this railway shall be accorded to the Russo-Chinese Bank. The contract shall be concluded between the Chinese Minister at St. Petersburg and the Russo-Chinese Bank.

*“Article 5.* In time of war Russia shall have free use of the railway for the transport and provisioning of her troops. In time of peace Russia shall have the same right for the transit of her troops and provisions.

*“Article 6.* The present treaty shall come into force from the day on which the contract stipulated in Article 4 shall have been confirmed. It shall have force for fifteen years.”

It is true that the events of 1898 and 1900 complicated the effective use of this instrument (which only expired in 1911) by Russia in her supreme hour in 1905. But in spite of the forced lease of Port Arthur, which Count Witte had so bitterly opposed in 1898, and in spite of the military operations during the Boxer rising, there was ample evidence during 1900 to observers on the spot that both China and Russia were acting in terms of this secret understanding, several clauses of which had been duly executed. Had the Baltic fleet in 1905 invoked article 3 and occupied and fortified for five months an anchorage in South China, preferably Foochow, which has a

naval arsenal, after leaving the waters of Indo-China as could easily have been done, it would probably have meant for Russia the difference between defeat and stalemate,—the prolongation of the war into 1906 being the sole means of exhausting Japan. Those among the delegates of the Washington Conference who had personal knowledge of the Far East were impressed by this little flash of lightning into the murky past. And as if in obedience to a subconscious impulse the agenda-paper was referred to again. And before there was time to catch your breath, Siberia had slipped on to the green baize table.

## VI

Siberia—the land of ice and snow, the vast land of knouts and exiles, about which no one knew very much excepting that it was very big and very wild—was it this that had come up for solution at the close of an exhausting session? No! It was just that portion beyond Lake Baikal erected into an independent Far Eastern Republic in 1920, as a guarantee against pure Bolshevism fouling the Pacific, which is entirely composed of Chinese territory wrested piece by piece from Peking between the years 1689 and 1860. It was therefore a semi-Chinese issue. The Russian Far East, being economically dependent on Manchuria and inexorably tied to it by the thousand-mile section of the grand trans-Siberian called the Chinese Eastern railway, was as much part and

parcel of the problem before the conference as Shantung or the question of Pacific islands.

Yet for America to try her hand at solving it was puerile. The folly displayed during the previous Administration had compromised the position so badly that all liberty of action had been lost. As had been the case with China's entry into the war, after a brilliant preliminary gesture in 1918, President Wilson had been content in 1920 to fold his hands and let everything drop in his Paris manner. It was as if some evil destiny prompted him to magnificent beginnings so that the endings might be all the more miserable.

The story merits re-telling. In 1918 the Bolsheviks were not only in power in Siberia but Brest-Litovsk had forever humiliated them with the world. The Czecho-Slovak legionaries, who had acquired a legendary name from the manner in which they had fought throughout the war, were trying vainly to disentangle themselves from the fastnesses of Siberia, where strange disruptive movements were constantly breaking out due to the enormous Austro-German prison-camps and the popularity of communism as a doctrine of revolt. The Siberian railway, without which Asiatic Russia was a lifeless torso, had slowed down almost to inanition. Japan, having already written with China so-called "War-participating treaties," which enabled her to utilize Chinese territory without having to face a storm of public condemnation, was nibbling at Vladivostok. But she

had not yet landed, being dissuaded from definitely committing herself owing to the coldness with which her "plan" to give military aid to Russia during the Kerensky régime had been received by the British Government. President Wilson, about to be confronted with an accomplished fact, and no doubt irritated by the amount of money which had already been vainly advanced to the fallen Kerensky government, invited all the Allies to participate in a joint military expedition to save and evacuate the 60,000 Czechoslovak troops.

The invitation was promptly accepted. Six Powers were involved:—the United States, England, France, Italy, Japan and China: and in order that American policy should be made crystal clear the following declaration was issued (in July, 1918):

"In the judgment of the Government of the United States, a judgment arrived at after repeated and very searching considerations of the whole situation, military intervention in Russia would be more likely to add to the present sad confusion there than to cure it and would injure Russia rather than help her out of her distress. Such military intervention as has been most frequently proposed, even supposing it to be efficacious in its immediate object of delivering an attack upon Germany from the East, would, in its judgment, be more likely to turn out to be merely a method of making use of Russia than to be a method of serving her. Her people, if they profited by it at all, could not profit by it in time to deliver them from their present desperate difficulties and their substance would meantime be used to maintain foreign armies, not to reconstitute their own, or to

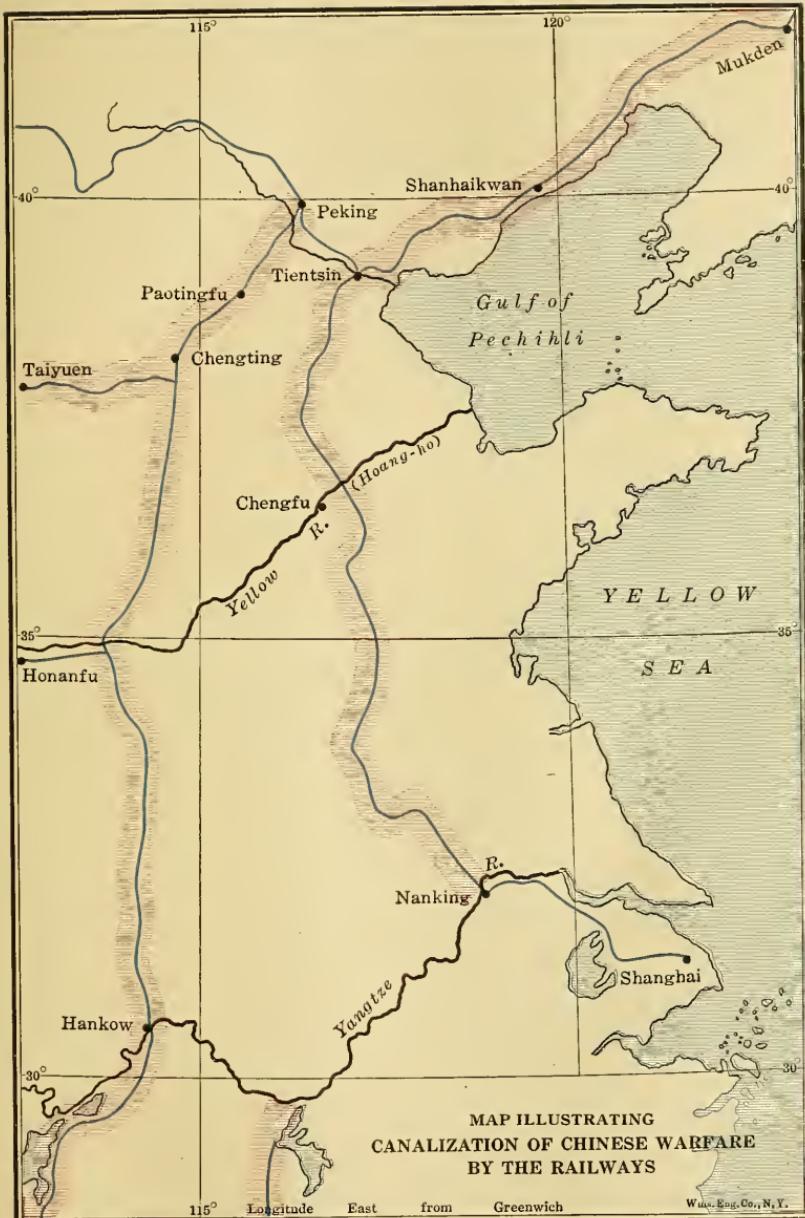
feed their own men, women and children. We are bending all our energies now to the purpose of winning on the western front, and it would, in the judgment of the Government of the United States, be most unwise to divide or dissipate our forces. As the Government of the United States sees the present circumstances, therefore, military action is admissible in Russia now only to render such protection and help as is possible to the Czechoslovaks against the armed Austrian and German prisoners who are attacking them and to steady any efforts at self-government or self-defence in which the Russians themselves may be willing to accept assistance. Whether from Vladivostok or from Murmansk and Archangel, the only present object for which American troops will be employed will be to guard military stores which may subsequently be needed by Russian forces in the organization of their own self-defence. With such object in view the Government of the United States is now co-operating with the Governments of France and Great Britain in the neighbourhood of Murmansk and Archangel. The United States and Japan are the only Powers which are just now in position to act in Siberia in sufficient force to accomplish even such modest objects as those that have been outlined. The Government of the United States has therefore proposed to the Government of Japan that each of the two Governments send a force of a few thousand men to Vladivostok with the purpose of co-operating as a single force in the occupation of Vladivostok and in safe-guarding so far as it may the country to the rear of the westward moving Czechoslovaks; and the Japanese Government has consented. In taking this action, the Government of the United States wishes to announce to the people of Russia in the most public and solemn manner that it contemplates no interference with the political sovereignty of Russia, no intervention in her internal affairs, not even in the local affairs of the limited areas which her military force may be obliged

to occupy, and no impairment of Russian territory integrity, either now or hereafter; but that what we are about to do has as its single and only object the rendering of such aid as shall be acceptable to the Russian people themselves in their endeavours to regain control of their own affairs, their own territory and their own destiny. The Japanese Government, it is understood, will issue a similar assurance. These plans and purposes of the Government of the United States have been communicated to the Governments of Great Britain, France and Italy, and those Governments have advised the Department of State that they assent to them in principle. No conclusion that the Government of the United States has arrived at in this important matter is intended, however, as an effort to restrict the actions or interfere with the independent judgment of the Governments with which we are now associated in the war. It is also the hope and purpose of the Government of the United States to take advantage of the earliest opportunity to send to Siberia a commission of merchants, agricultural experts, labour advisers, Red Cross representatives, and agents of the Young Men's Christian Association, accustomed to organizing the best methods of spreading useful information and rendering educational help of a modest kind in order in some sympathetic way to relieve the immediate economic necessities of the people there in every way for which an opportunity may open. The execution of this plan will not be permitted to embarrass the military assistance rendered to the Czechoslovaks. It is the hope and expectation of the Government of the United States that the Governments with which it is associated will wherever necessary or possible lend their active aid in the execution of these military and economic plans."

The United States sent seven thousand troops—the Japanese seventy thousand. There in a nutshell

was the position which was created: for the only important sentence in this long-winded declaration was the statement that the United States and Japan were the only two Powers which were in a position to act in Siberia in sufficient force. Nevertheless there was also a British appeal which began in the vein of Napoleon's manifestoes: "Your Allies have not forgotten you! We remember all the services your heroic army rendered us in the early days of the war;" and which ended "Peoples of Russia, join us in the defence of your liberties. Our one desire is to see Russia strong and free, and then to retire to watch the Russian people work out their own destinies." The British document was signed with a single name—Balfour—not the penitent Balfour of Washington in his Canossa-robcs, but the other Balfour. That in the circumstances the heralded retirement "to watch the Russian people work out their destinies" was somewhat delayed and indeed varied into an amazing set of adventures from the White Sea to the Black Sea, which will provoke the ridicule of all future historians, need cause no surprise.

Japan was on the spot. Time was her ally—not the peoples of the West. Pending the use of the loved instrument—the knife—she practised manipulative surgery. Just as she had done in the case of Shantung in 1914, so now in 1918 prior to everything else she spread out her forces in order to envelop as much country as possible. In this way, while the other Allies occupied themselves more or



MILITARY OPERATIONS IN THE MAIN ARE LIMITED TO THE RAILWAYS  
RUNNING BETWEEN THE YANGTZE VALLEY AND PEKING AND THE  
RAILWAY RUNNING TO MUKDEN, IN MANCHURIA.



less faithfully in attaining their proclaimed objective, the trans-Siberian railway—Japan set to work to occupy the Ussuri railway, which runs up to the Amur river; then the Amur railway which runs for nearly 2,000 versts along the banks of that great boundary river; then all strategic points. Countless incidents, varying from the arrest of Allied generals to the burning of whole districts, marked her progress; and although the creation of an Inter-Allied Technical Railway Board rendered it increasingly difficult for her to tamper with communications, particularly as an American was elected chairman and secured most of the new rolling-stock from his own country; the detailed story reads like a tale by Pouschkin.

Peace at Paris in the summer of 1919 turned the heterogeneous expeditionary force, now spread thinly to the Ural Mountains, into something very different. It became a question of open warfare, i.e., helping White Russia to break Red Russia. Koltchak, set up at Omsk, soon fell down and fled and was summarily executed at Irkutsk. It is an interesting historical fact that he was caught in Irkutsk station on the very day and at the very hour that the first Japanese troop-train penetrated as far west, the Japanese battalion-commander making a frantic attempt to save him as he was led away. Had the Japanese been more honest in 1919, Koltchak would not have died in 1920 and the whole Siberian story might have been different.

Koltchak dead; the White Russian movement

scotched; the Allies deeply humiliated—that was the position at the beginning of 1920. The almost forgotten Czecho-Slovaks, still retreating in putrescent trains which they had occupied for years, had been forced to make their peace with Bolshevism in order to get out at all.

Spring of 1920. Most of the Allied troops had long been shipped away out of this horror. The putrescent trains still crawled into Vladivostok, railway movement having been kept up only through the amazing energy of American engineers who defied every effort to check them and pushed on with their work like so many Hercules working in an Augean stable. The minutes of the Inter-Allied Technical Board and its inspectors have to be read to obtain any conception of the fearful internecine warfare raging endless beneath the surface. Animosities were so deep that a complete break seemed never more than a day off. The American Command still clung doggedly to Vladivostok; but officers and men were sick of the chicanery and fraud and dirt and confusion, sick of the things they saw—sick of a political debauchery which has had no counterpart in the present century. The agitation in Congress could have one end only. Orders to evacuate came at last.

On the 1st April the last American transport disappeared out of the peerless bay of the Golden Horn with the last American troops. On the night of the 4th April the Japanese struck as hard as they could

at every point where the Russian Popular movement, a mixture of Bolshevism and so-called Partisan bands, looked like succeeding. In Vladivostok, in Nikolsk, in Havarovsk, in Chita, it was much the same thing—gunfire and bayonets for all who were in a position to resist. A sort of constituent assembly was in session at Nikolsk—500 peasant deputies talking only as Russians can talk. They talked no more. The Partisan forces were butchered wherever they refused to scatter. In Vladivostok fire was opened on the Zemstvo building from a Japanese hotel across the street where a mountain gun and machine guns had been placed. As germicides they were eminently effective. Such embryonic forms of popular government as existed duly perished.

Was there a close and intimate connection between the departure of the last American troops and the action of the Japanese? I arrived at the conclusion that there was after investigating matters on the spot as a member of a Chinese Government Commission two months after these events. The buffer state, from which has now emerged the so-called Far Eastern Republic, was about to be born, negotiations going on openly between the various groups to that end. The entire territory east of Lake Baikal having for three years been overrun by all sorts of movements and being economically dependent upon "bourgeois" states, it had been felt that a non-Bolshevist buffer state was essential.

The peasant assembly at Nikolsk, in the maritime province, had its counterpart at Verkhne-Udinsk, the centre of the Zemstvo government of Pribaibalia, lying several hundred miles west of the Japanese advance-lines. There on the 6th April, before any reliable news of the Japanese assaults had arrived, the independence of the Russian Far East, and the formation of a Democratic Republic had been proclaimed and communicated to the government of Soviet Russia and to the governments of all Allied countries. The Japanese believed that the United States had purposely evacuated hastily and without consultation in order to foster these Russian plans, all Americans in Russian territory openly favouring the popular movement.

That the American evacuation was premature cannot be contested. The official object of the intervention, the salving of the Czecho-Slovak force, was not accomplished until half a year later—September, 1920. On that date the last echelons were shipped home from Vladivostok and it was on that date that the last Americans should have gone, too.

## VII

There was another aspect.

Just as the American intervention of 1918 was only part of a general policy towards Russia, which President Wilson tried to make effective by availing himself of the special conditions which had arisen

in the Far East, so were the events round Vladivostok and the Siberian railways but incidents in the general and permanent Japanese policy of dominating the Asiatic seaboard. By a lucky chance in the winter of 1920, the whole Japanese garrison and the township of Nicolaievsk (the Amur port of entry) was wiped out by Russian bands composed of convicts and exiles of the most desperate description.

Here indeed was the heaven-sent opportunity. . . .

Japan went to work methodically. The evacuation of Trans-Baikalia was carried out in the summer of 1920 with a great deal of display, and then came the occupation of Northern Saghalien, which was an absolutely bare-faced proceeding if there was ever one; for as a state of war existed she could hardly make the loss of a military force the basis for a claim for compensation. Presently gunboats and light craft re-established her power at Nicolaievsk and carried it along the Siberian coast up to the rich promontory of Kamchatka. This killed two birds with one stone. For the fisheries were just as important as the reversion of Soviet Russia's other rights: and so long as Northern Saghalien remained in her hands she had the fisheries of river and coast bottled up. Possiet Bay—a marvellous anchorage situated just at the point where Korean, Chinese, and Russian territory meets—was tightly held; so was Castries Bay. With her troops concentrated in the maritime district, Japan had swung her policy from participation with the Allies to a purely selfish

one, bearing no relation to the purposes of the intervention.

## VIII

Here now in the pure atmosphere of Washington, where there was no trace of this dismal background of cross purposes and wrecked hopes, the Japanese were suddenly asked by the United States when they proposed to carry out their oft-repeated pledge and evacuate their troops.

Secretary Hughes required imperturbability to do that. The failure of his predecessors to act in concert with Japan had freed the government of Tokyo from the corresponding liability. Had he been a bolder man with a bolder chief he would have announced American recognition of the Far Eastern Republic since property-rights and universal suffrage were guaranteed in that State. But how could he do that when his government still accorded full diplomatic privileges to the ambassador of the Kerensky régime who was still allowed full control of whatever remained of the 186 million gold dollars lent through the instrumentality of Messrs. J. P. Morgan & Co.? Believing in 1922 (much as Secretary Lansing had believed in 1917) that great changes were imminent in Russia and that the Bolshevik power was crumbling, Secretary Hughes was really as much tied to a corpse as the Japanese Delegation. It was perhaps as well that in such a charnel-house he should have contented himself with

a long and platitudinous restatement of the American position in Siberian matters. And as Japan was able to declare in reply that she made such a clear distinction between the Soviet Government of Moscow and the Far Eastern Republic at Chita that she was actually in negotiations with the Chita Government at Dairen to facilitate evacuation of her troops, Secretary Hughes suddenly let the whole matter drop.

Japan had made ample provision for every possible contingency. Directly she had seen that it would be impossible for her to refuse to attend the Washington Conference, and discuss every phase of the Far East, she had sent such urgent instruction to her Minister in Peking that he had gone in the dead of night to the chief of the Chita Mission in Peking, pulled him out of bed, and asked him to begin negotiations in his pyjamas. The actual conversations had commenced in Dairen in August, 1920, and were going on at the moment of Secretary Hughes' interrogation. They were broken off in April without result when they had served their purpose, having been prolonged after the Washington Conference so as to serve as camouflage for the Genoa Conference. Is not diplomacy amusing?

## IX

There was method behind American tactics in spite of the apparent feebleness regarding Siberia.

Shantung had to be solved: if Shantung were left unsolved the Harding Administration would suffer so severely that its future would be compromised. The Shantung question was an issue that the American people not only clearly understood but were determined about, for had they not fought a Presidential campaign more or less around it? Therefore Shantung was vital and the possibility of the Treaties failing to secure Senate ratification was too near not to sacrifice everything in favour of Shantung.

On the 25th January, following a conference between President Harding and the senior Chinese Delegate, complete agreement was reached on the question of the Shantung railway, the formula adopted being simply the British practice in regard to Chinese railways, i.e., a Chinese Director-General, a Foreign Chief Engineer and a Foreign Chief Accountant with easy terms of redemption of Treasury Notes spread over 5-15 year periods. On the 26th January Secretary Hughes let go the Siberian issue. It was purely a coincidence, of course, that Shantung had been settled the previous day. It was a significant and ironical fact that the British official observer who had sat through these Shantung conversations was no other than the self-same British Minister in Peking who in 1914 had telegraphed so urgently to his government that action was imperative to secure that Kiaochow was not transferred back to China, and that Germany by virtue of article V of the Convention of 1898 might not reserve for her-

self more suitable territory. It had taken seven and a half years of uproar in Eastern Asia, the ruin of a President of the United States, the complete disruption of China and the poisoning of world opinion against Japan to cancel an error of judgment arising from ignorance.

Never in modern history has there been such a singular rebuke. But the rebuke, being a purely moral one, was not noticed. Instead, Mr. Balfour in a felicitous speech on the 1st February restored the one remaining spot in Shantung that remained in foreign control—the British leased territory of Weihaiwei—and so blotted out the memory of the past.

Then Manchuria came up,—first in an indirect form.

## x

The question of the Chinese Eastern Railway, that vital link of the grand trans-Siberian railway which is locked to Chinese territory, concerned every one because of the machinery set up in 1919 during the Allied intervention. It was impossible to take an indifferent attitude: yet this was one of the few matters in which China had the whip-hand because the one Power with rights—Russia—was absent.

She developed her argument with skill. This was a railway, a concession for which she had granted to a Russo-Chinese bank, under a complicated system which left the grantee in full possession of adminis-

trative duties of a far-reaching order. The collapse of Russia had made it imperative for her not only to exercise all her rights but to take over functions hitherto exercised by the concessionaires. There had been grave political disorders in and around the territory served by the railway. Any attempt on the part of the Conference to single out for separate treatment this link in the trans-Siberian system would be highly unfair. The original inter-allied agreement provided for supervision over the whole grand trunk line from Vladivostok to the Ural Mountains. The only portion where that supervision had been effective was in Chinese territory with Chinese assistance. A good point, well-made.

Finding that no progress was possible with the idea of internationalization, the following meaningless resolution was introduced and passed unanimously:

“Resolved that the preservation of the Chinese Eastern Railway for those in interest requires that better protection be given to the railway and the persons engaged in its operation and use; a more careful selection of personnel to secure efficiency of service; and a more economical use of funds to prevent waste of the property.”

And because reservations have become an essential part of the post-war conference, the following was promptly added:

“The powers other than China in agreeing to the resolution in regard to the Chinese Eastern Railway reserve the

right to insist hereafter upon the responsibilities of China for performance or non-performance of the obligations towards foreign stockholders, bondholders, and creditors of the Chinese Eastern Railway Company, which the holders deem to result from the contracts under which the railway was built and the action of China thereunder and the obligations which they deem to be in the nature of a trust resulting from the exercising of power by the Chinese Government over the possession and administration of the railway."

Russia had squandered 500 million gold roubles in these railways and Count Witte in his Memoirs declared that it would cost 700 million roubles to buy them back. So when the chairman marked off the item in blue-pencil from his agenda-paper the question was left exactly as before—an issue between China and Russia to be hammered out perhaps in ways no one at this Conference dreamed of.

## xi

At last the matter which had caused the chairman so hastily to adjourn discussion only a month before—Japan's famous Twenty-one Demands. But the Conference, after the plain speaking between England and France on submarines, was not so squeamish, and as one very important group of the Demands—Shantung—was out of the way, of the remaining only Manchuria was vital.

February opened with some final tilts between China and Japan of a more interesting character

than the others had been. It cannot be said that the Japanese were defeated: on the contrary their arguments contained much meat. If China asked the Conference to cancel all the Treaties and Notes embodying the Twenty-one Demands she was acknowledging their validity: otherwise if they were not valid, why should she seek cancellation?

It was a shrewd blow. China asked for time to prepare a reply which was not so shrewd. The Chinese argument, after a night of cogitation, produced four points which in the cold light of a February morning in Washington appeared by no means conclusive:

- “1. That the treaties, so far as benefits derived from them were concerned, were unilateral.
- “2. That they were in certain respects in violation of treaties between China and the other Powers.
- “3. That they were inconsistent with the principles relating to China adopted at the Conference.
- “4. That they had engendered misunderstandings between China and Japan and if not abrogated would tend necessarily to disturb good relations between the two countries and thus would constitute an obstacle in the way of realizing the purpose of the Conference.”

Japan, having already long decided upon it, made a gesture in the form of a declaration which was solemnly read out in a way which every one acquainted with the facts knew she would do:

“Having in view the changes which have taken place in the situation since the conclusion of the Sino-Japanese treaties

and notes of 1915, the Japanese delegation is happy to avail itself of the present occasion to make the following declaration:

- “1. Japan is ready to throw open to the joint activity of the international financial consortium recently organized, the right of option granted exclusively in favour of Japanese capital, with regard, first, to loans for the construction of railways in South Manchuria and Eastern Inner Mongolia, and second, to loans to be secured on taxes in that region, it being understood that nothing in the present declaration shall be held to imply any modification or annulment of the understanding recorded in the officially announced notes and memoranda which were exchanged among the Governments of the countries represented in the consortium, and also among the national financial groups composing the consortium, in relation to the scope of the joint activity of that organization.
- “2. Japan has no intention of insisting on her preferential right under the Sino-Japanese arrangements in questions concerning the engagement by China of Japanese advisers or instructors on political, financial, military or police matters in South Manchuria.
- “3. Japan is further ready to withdraw the reservation which she made in proceeding to the signature of the Sino-Japanese treaties and notes of 1915, to the effect that Group V of the original proposals of the Japanese Government would be postponed for future negotiating.”

It was the end! Japan had conceded every non-essential. The Twenty-one Demands could not but henceforth wear a very different complexion. That the two essentials, the Port Arthur lease and the

South Manchurian railway concession, the first extended to 1997 and the second to the year 2002, had been quietly ignored was as much due to the tactics adopted as to anything else. The delegates, who had been booking and cancelling passages since December, were absolutely determined to go. Monday, the 6th February, was put down as the closing-day.

Six treaties had resulted, three dealing with warfare and the prevention thereof on the Pacific (since they cannot apply to non-signatory Powers of Europe) and three with Chinese affairs. There had been an absolute balance between the two issues. Had Secretary Hughes realized this in the beginning that attitude would have led to a far more beneficial atmosphere and far more beneficial results.

As in the case with the opening so with the ending, President Harding blessed those present. There was a last tribute to his abundant good judgment in the fact that a supplement to the Pacific treaty was entered into which expressly removed the islands of Japan Proper from its scope, and left Japan as a sovereign unguaranteed power.

It had been a memorable conference. There was only one important omission. The convened Powers should have repeated in a chorus that portion of the Lord's Prayer which deals so eloquently with our hope of forgiveness for the things which we leave undone.

## PART VIII

### THE RECKONING

#### I

THE record in these pages is the chronicle of the first decisive intervention of North America in world politics, a totally new phenomenon with particular importance in an era of readjustment. Commenced by Canada in the historic debates in the Canadian House of Commons of the 21st and 26th April, the action terminated appropriately enough in Washington with a series of international compacts as notable for what they failed to do as for what they actually accomplished.

Through all these things the same strong thread runs. The dominating impulse is the common interest and the fundamental identity of purpose of the English-speaking community. Jealousies and differences there are which must grow as life and life's interests become more complex. Yet the strong thread will grow stronger until in the end it has the tensile strength of steel. Canada is not only a guarantee against the kind of error which is fatal to a good understanding, but facilitates in countless ways that transfer of power from the western to the eastern shores of the Atlantic which is now actually occurring. A generation may pass before the

process is complete and a proper balance established; but the first half of the present century will not have ended before it is successfully carried out and a permanent new influence enthroned in place of the old.

This new dispensation is supremely important for the Pacific Ocean. Europe is too far away and too immersed in its own affairs to concern itself any longer with the destinies of peoples on the other side of the globe who are rapidly developing racial and political consciousness in much the same way as occurred among Western nations a hundred years ago. The United States has been the first power to understand and admit this fact, and to prepare for its implications, as befits a new nation grown so rapidly to giant stature. The time is not far off when the countries of the Pacific will be eager to accept a hegemony based on fair dealing. Not only Canada but Australia and New Zealand must ultimately be represented in the new centre of gravity—Washington—and by so doing commit England still further to the North American movement. To-day we are witnessing something very similar to what occurred at the end of the Eighteenth Century, when the West Indies and the Caribbean from being the very centre of conflict and endeavour dropped overnight to insignificance because the world movement led men towards Asia and Africa and the countries of the sun. If now as a result of the new type civilization which has grown so rich in the region

north of the Rio Grande, and the vast increase in the white population therein, we find a similar displacement, it is only in accordance with laws to which all must bow.

What are the immediate results likely to be? Can so great a modification take place without violent disturbances?

In the fact that the United States is still in the making, and that her policy has not yet acquired the steady drive and continuity which is a feature in older countries, there is a certain danger to be discerned. The mixture of altruism and innocence so often shown by American spokesmen was saved in the case of the Washington Conference from leading to openly bad results because certain things were pegged down in clear view of all the world and could not be made the subject of bargaining. Yet had not the reduction of navies and the termination of the Anglo-Japanese Alliance already passed through the necessary preliminary stages in England, needing only their *coup de grâce* in America, it is by no means certain that the performance of Paris would not have been repeated. The Washington Conference owed its principal success to the fact that it was a continuation, under a wider horizon and with keener public support, of the British Imperial Conference of 1921. There can be no question about that. Had it come before that Conference it would have almost certainly failed. For whilst the government of the United States is admirably equipped under the con-

stitution for regulating internal business, in the domain of foreign affairs it labours under handicaps which are increasingly evident. The weakness of the State Department system, and the constantly shifting nature of the impulse from the chief executive are grave faults: while the absence of really great vested interests outside the country means the absence of those spurs to action—and checks on wrong action—which are the secret of England's political success. Moreover, the faulty connection between the executive and legislative branches makes the machinery creak and groan whenever any strain is imposed by the sudden introduction of weighty foreign questions for which the mind of the country is not ripe. Under the Parliamentary system, where ministerial responsibility is fixed and collective, and where policy can be examined from day to day, there is a pledge and a guarantee that special interests or special whims will not predominate. True enough public sentiment can be whipped up speedily in the United States; but the inevitable tendency is for newspaper opinion to take the place of the voice of the people's representatives and for a wild storm to arise in place of a steady wind. It needs the thunder of independent Senators to obtain even minute corrections of executive illogicalness and the lightning of the Hearst press to show the nature of the prospect; for much as it has been the fashion to denounce the newspapers controlled by William Randolph Hearst, it is fact amply evident to impartial

observers that without that press appalling errors would be committed in the domain of foreign affairs. Overstatement is good and refreshing in an atmosphere of compromise and indecision, presided over by the Golden Calf. . . .

Until American overseas interests are far more widely scattered than at present, the tendency will be for policy to be far too much under the domination of a "home-guard" form of money-power that is excessively timid and excessively provincial. Waywardness of foreign policy will be intensified by the type of mind which rules in a country dominated by standardization. Standardization in a world of endless variety is a sin which brings its own punishment. It creates a habit of mind unable to deal with complexities and tending to be easily disheartened. Standardization ultimately leads to paralysis and immobility, for by endless repeating things in the same pattern a dead level is reached destructive of true progress. Standardization is what killed the old civilization of China and has left behind a type of mind which has made it difficult to give reality and meaning to anything new. Everything was standardized in the old China—there was a set and formal scheme for all things beginning with food and clothing and ending with the dimensions and style of every type of house. The mentality engendered by this formalism is timid and halting; and even though American policy, because of its essential innocence and frankness, represents a limitless im-

provement on anything yet seen, it may be deprived of its just reward simply from these causes.

## II

When we examine the provisions made at Washington for dealing with China we see that the real struggle has yet to come.

The adjournment of a large number of questions until a later day was decided upon because immediate agreement proved impossible after the faulty start. The clause in one treaty which declares that in not more than three months after ratification a special conference shall assemble at a place to be designated by the Chinese Government to deal with the consolidation of the tariff is one instance: another is the resolution regarding the evacuation of foreign garrisons: a third the agreement regarding the despatch of an international commission of jurists: a fourth the projected Board of Reference which is to sit on debatable questions. As a sketch these things are laudable, but unless special pains are to be taken by the governments concerned to follow up their efforts at Washington, adequate solutions will not be worked out, as the state in which China finds herself is not conducive to radical reform. Already she has unofficially requested that the despatch of the judicial commission be postponed for one year because it is impossible to allow an examination of the legal machinery at such a moment

as the present. The failure of several Powers, notably France, promptly to ratify the Washington engagements means that it cannot be much before 1923 that the financial commissions meet. That the Tariff in China must be the central theme in the same way as it is in the United States, and in all countries where raw materials are the important element, is abundantly clear to those who are able to appreciate the significance of new developments: the history of China during the next fifty years will be written round the Tariff. The introduction of machinery on a wholesale scale means that mass production is not far off; and although it will take thirty years to set up the thirty million spindles which it is estimated are required to deal with domestic trade, long before that time the question of the Chinese market will be a vital one to all great trading nations and must lead to desperate rivalries. Had there been better informed Delegations at Washington, they would have at least insisted that export duties and coast trade duties be abolished forthwith so as to free trade channels at once.

All these matters must be taken up anew in 1923 in China. The men on the spot are certainly not of the calibre to inaugurate great constructive programmes; nor have they sufficient imagination to see that the old era is at end and that the new one requires a technique totally different from the methods practised in earlier days. Economic questions of a highly complicated nature are bound up in the Tariff

and in the allied banking and currency problem, but nothing which has so far transpired gives promise that they will be adequately dealt with.

The only nexus which binds China and foreign countries together is the cash nexus. The symbol of that nexus is for the time being the banking interests which have united in an international group to the detriment of the real source of profit—viz., international trade. A plan economically as unsound and as unworkable as the Reparation Clauses of the Versailles Treaty cannot conceivably be the instrumentality which is to gather up loose ends and bring solutions in China, particularly when the issues involved are of a more complicated nature than the issues in Germany or even in Russia. Fatal defects within the Banking Consortium, even if it were officially accepted by China, would after a short interval wreck it. The people are unalterably opposed to exploitation by foreign capitalists: and even if really necessary work such as the construction of trunk railways were taken in hand, the popular instinct would soon rebel against an alien system. Without the willing co-operation of the people the whole machinery of life stops in China as automatically as if levers had been pulled: the very bases of life seem to vanish overnight because those underlying bases are purely and entirely Chinese. Within the past year the colony of Hongkong has been taught this great truth in a humiliating and crushing way: that the procedure adopted there will be

repeated elsewhere, if similar folly is shown, is clear when the growth of the modern labour movement in China is understood.

The way to obtain lasting co-operation in China is to recognize that only in spheres removed from contact with their daily lives and in matters not harmful to their own self-development can the foreigner intrude. In land and city administration, in the collection of taxes in the interior, in banking and currency, the Chinese are jealous and suspicious like the natives of other countries. Instead of attempting to extend foreign financial interference in China, the boundary of that interference should be the coast line and the custom-house. In other words, levies on foreign importations are the only levies which can be legitimately touched. China's borrowing-power ought to be measured solely by the Tariff: with what has already been conceded at Washington there will be enough revenue to provide the service of a debt of one billion gold dollars (225 millions sterling).

The creation of a Permanent Chinese National Debt, with the funding of all indemnities and borrowings made both prior and during the great war, is an essential preliminary to national financial reform. If ever a moral obligation lay upon a country to take the lead in this work, that obligation rests with the United States. For a people with as much at stake on the Pacific as Americans to limit their total investment in China to  $18\frac{1}{2}$  million gold dol-

lars as is the case to-day, when the British investment is forty times as great, is a satire on political prudence which it is difficult to surpass. Secretary Hughes has recently said that "the difficulty of maintaining an enlightened public opinion with respect to international matters is very great, and it has been increased in this country by the lack of general interest, at least until recently, in foreign affairs. We have only begun to think internationally, and we find the attitude of the public mind to be still ill-adjusted to the magnitude of our financial power and to the international interests which we have suddenly accumulated as the results of the world war." But precisely the contrary is true—at least so far as international interests are concerned. America's weakness of policy is due to the absence of international interests, to the lack of permanent stakes outside the country. The conversion and consolidation of outstanding Chinese obligations into Chinese consols by American help would remove that reproach in one quarter of the globe at least; and should not be hard to work out as the gold debt of the Chinese people is small and almost entirely arises from four political crises—the Sino-Japanese war, the Boxer revolt, the founding of the Republic, and the entry of China into the Great War.

Of the amounts due under the first category—£48 millions—nearly one half has been paid off, leaving about £25 millions outstanding. In the second category—with the claims of Germany, Austria and

Russia, amounting in all to £74 millions, cancelled—about £31 millions has been paid off, leaving £43 millions outstanding. In the third category—£33 millions—repayment has not yet commenced. And in the fourth category, including American and Japanese loans, £20 millions sterling, nothing has been done even in the matter of securing interest service.

Thus China's External Debt, excluding Railway Loans, amounts to no more than £121 millions net, or G. \$550 millions, mainly held in England. Though funding would entail a considerable increase in the gross amount owing to the state of the money-market, a considerable margin in liquid revenues would be left for further borrowings. It would be fatal, however, to encourage the idea that borrowing is necessary or politic in China except for specified constructive objects which can only be attained by spreading over a term of years—preferably a long term of years—the capital provided. It is an incontestable fact that any money from abroad in excess of gold dollars two million a month cannot be honestly employed in China for governmental purposes, and is therefore wasted as was the case with the whole Reorganization Loan of twenty-five millions sterling of 1913 which was supposed to reconstruct the country. By strictly limiting the amount of new money, and providing it in the form of silver bullion for the new national mint at Shanghai, a reasonable opportunity for readjustment and reform will be afforded, and a halt called in the false policy of pre-

tending that a balancing of books is the salvation of China, when the issue is really an intricate socio-logical problem, which only two men from abroad have properly understood from study on the spot—Dr. Dewey and Professor Bertrand Russell. Quixotic and illusory schemes for the disbandment of the military forces will give bankers and officials profits but will not bring contentment to the people.

The special Chinese conference will be dominated by questions of money. Money is everything. The fate of the Bank of Korea, the Bank of Formosa and the Industrial Bank of Japan, the three semi-official Japanese institutions which had their entire cash resources raided by the Terauchi Government in 1917 and 1918, in a desperate attempt to offset the political effects of the action of America when she entered the great war, will prove an absorbing political issue. It is plain from the chastened remarks of the chairmen of these institutions that the pouring of one hundred and fifty million yen into Peking has well-nigh crippled them. The acid test so far as the United States is concerned is the correction of the faulty policy of the Wilson Administration in 1917 which has been so fully dealt with in these pages; but that such a test will be possible only if there is the great public pressure is obvious to those who have watched the failure of American finance to play a rôle in the past.

For a bold and ingenious people the lack of boldness and ingenuity shown has been amazing. It is

not too much to declare that had British finance had the opportunities of American finance in China during the last seven years there would have been no opportunities left for any one else. Americans, with their altruism, may be inclined to think that such a statement is more of a defence for their policy than an accusation. But when all is said and done, good intentions have the same value in our world as Dante declared they had in the nether world. For those who fight on the battleground for the victory of better things they provide no foothold at all.

### III

Why, if the problem approximates the analysis made, did not China state her case differently at Washington and deal with essentials? Many things conspired against such a course,—disruption at home, the memory of the Paris Conference, the absence of a plan on the part of the convening Power. Had the signatories of the Nine-Power Treaty been properly led by the United States instead of occupying themselves with the overdiscussed and stale question of the open door, they would have taken up and carefully considered the practical question of getting from the open door to every part of the country which is to-day the real issue. The open door is eighty years old; it was what was fought for round the Canton forts in the thirties and forties of last century; it stands enshrined, with all its crippling

limitations in the fifty-odd Treaty-ports where international commerce may alone be legally conducted and where aliens may alone legally reside. But the railways, making corridors running deep into the country, have in reality cancelled and rendered nugatory the earlier conception of "points of contact" between East and West. They vehemently call for a new definition which will make partnership and co-operative effort elsewhere than on the fore-shore of coast and river a legitimate enterprise. Commerce with the real interior is heavily handicapped by the conditions which are permitted to persist. It is not merely because transportation is primitive and highly costly per ton mile; or because there is taxation at innumerable points; but because the real revolutionary—the man who has overthrown the old civilization and brought in the new, the foreigner—is not leading the fight as he should. More and more is he needed—particularly during these few last years of his extraterritorialized existence when he is a privileged being, about to protect and lead. Symbol of the revolution which has come, but insulated so to speak against the influences which strike down and drag back even forward-looking Chinese, he is the one person who is essential to the continued existence of China as a sovereign State. That he represents what they themselves are trying to attain is proved by all classes of Chinese turning to him as an asylum when in distress; and thus we have this paradox—that the

very man who is most essential to their progress is the one they must officially represent as the violator and the disturber of their peace. . . .

The Washington Conference should have taken note of these facts and in return for a throwing-open of the railway-zones to foreign factories and foreign residence made immediate concessions to China in the matter of police-jurisdiction and taxation in such zones. The wise policy to-day is the policy of association; of recognizing by measures of worth that the new outlines which are slowly but surely being traced across the country are the permanent ones and not merely transitory features; of meeting by competent measures the necessary incompetence of a governing class which must face both ways in order to deal with the antinomy between the old vanishing civilization and the new alien civilization. That ultimately the millions in blue overalls now being slowly mustered out by the industrialization of the country will prove more formidable to the world than the millions in khaki who so constantly fire their rifles is a certain deduction; but they are necessary to increase China's resisting power as well as her purchasing power, and they are a natural corollary to the phenomenal rise in the export of many commodities which is the feature of the hour.

From the Chinese historical point of view the Washington Conference was only an incident in the long drama which commenced eighty years ago, and which has many more years to run. The Europeani-

zation of Chinese politics, following the Europeanization of trade and industry, has brought great mental and physical confusion for which adequate formulas cannot be speedily found. The excessive reliance placed on legalistic argument and the views of professors is a sign of this; for when men are confused they naturally turn to what others have written into their code-books in the hope that analogy will establish the justice of their own case. The little originality shown year in and year out by leaders who have been educated abroad is a symptom attracting increasingly unfavourable attention; for while they are skilful and smooth the lack of initiative and the absence of any critical faculties are increasingly evident. It is indeed a remarkable fact that a race as intellectual as the Chinese should have failed to produce in the revolutionary period a single strong personality with strong views and executive capacity such as even Soviet Russia has done. Continually to fall back on principles; continually to invoke international law as an invincible palladium; continually to request back something which it is the real aim and object of the Republic to abolish, is for all the world like attempting to plant down in a Western landscape the old Chinese walled city with its crumbling ramparts which belongs to such a hoary and distant past. . . .

Had the Chinese Delegation prepared themselves for the diplomatic duel and determined on a plan of battle in the way that Count Witte did seventeen

years before at Portsmouth in far more desperate circumstances the conference would have yielded very different results. Count Witte says in his Memoirs: "I resolved to base my tactics on the following principles: (1) Not to show that we were in the least anxious to make peace, and to convey the impression that if His Majesty had consented to the negotiations, it was merely because of the universal desire on the part of all countries to see the war terminated; (2) to act as befitted the representatives of the greatest empire on earth, undismayed by the fact that that mighty empire had become involved temporarily in a slight difficulty; (3) in view of the tremendous influence of the press in America, to show it every attention and to be accessible to all its representatives; (4) to behave with democratic simplicity and without a shadow of snobbishness, so as to win the sympathy of the Americans . . ."

That China was still the greatest empire on earth, the only nation throughout the ages that has ever amassed a population of over four hundred millions, was a matter of such vast future economic significance that the implications should have been boldly dealt with. It was cowardice on the part of all concerned not to have assaulted all along the line the issue of the cash and credit system of the West: not to have shown in precise and illuminating language the nature of the economic revolution which is forever gathering strength: not once to have drawn attention to the great enemy—the low standard of

living and to insist on the taking of measures to deal with it. A new spirit should have been shown in which reticence had no place. Had there been that from the beginning, the wise precedent of the Shantung conversations might have been applied to the remaining items of the Twenty-one Demands. Japan could have been persuaded to yield much, had her heroic sacrifice in the Russian war of twenty years ago been eloquently dealt with in such a forum as Washington—had it been admitted that her contribution to the growth of wealth in Manchuria has been considerable and her aid still required. I am thoroughly convinced that the blood-stained heights of Port Arthur will never be surrendered and the territorial lease cancelled until the part they played in destroying Russian imperialism has been fully and adequately recognized by China in messages to Japan. No impartial person making a reckoning can avoid saying that China has lost something of the world's sympathy by failing to understand that sacrifice confers moral rights, and that excessive concentration on local issues excludes her from participating in benefits which others enjoy because they possess the international mind. Too long has it been considered by the Chinese official class that foreign affairs are the questions which arise from the presence of foreigners and foreign interests in Chinese territory—not the general question of China's place in the world and the status of her relations with all

nations, great and small. This, in a single sentence, is the great irony of the hour.

Russia is a case in point—Russia that has a frontier that marches with the Chinese frontier for four thousand miles and that has vainly attempted to renew some kind of relations for three or four years. China's failure to adopt a positive policy must ultimately bring a punishment. For Japan is at last reversing her Siberian policy and admitting established facts; and the prospect to-day seems to be that her crudities and roughnesses will be forgotten when China's indifference will still be rankling. At any time during the past two years it would have been easy and feasible for China to recognize the Far Eastern Republic and thereby win the eternal friendship of the Russian people. Russian action in Mongolia and elsewhere along the common frontier has been the inevitable result. China's loss will be Japan's gain—and there is every indication that that gain will not be small.

#### IV

##### And what of Japan?

The disappearance of the Anglo-Japanese Alliance has already exercised a beneficent influence. To-day she stands by her own unaided efforts, owing no one a qualified and dangerous allegiance. Yet precisely how the partial correction of the great series of errors made in the period of the world war will ultimately be accepted by the new generation it is

## 234 AN INDISCREET CHRONICLE

too soon to see.<sup>1</sup> Most educated Japanese are to-day aware of the political folly of attempting to erect half a century too late an old-type continental empire: but the victory won at Washington would have a far greater repercussion were it not for the suspicion that money-power will ultimately stultify the compacts entered into. That the Japanese, whose resources are far inferior to the resources of Western nations, should await on the real battle-ground—

✓ <sup>1</sup> In this connection it is necessary to note that a prominent Japanese newspaper in Tokyo has recently published military information which, though officially denied, is substantially correct.

A capital contention in the pages of the present volume, that to the Japanese Army and Navy China is merely a base of supplies and that her neutrality, although now guaranteed, would be treated as of no consequence, is amply borne out by this curious revelation which runs as follows:—

"Since the conclusion of the Washington Conference, the offices of the Army and Navy General Staffs have been busy in the readjustment of the plans for national defence. This programme was completed at the end of February, and the chiefs of staff, General Uyehara and Admiral Yamashita, have submitted it to the throne to secure the sanction of the Emperor. The Board of Field Marshals has already given its approval.

"The position of Japan in international affairs is now quite different from what it was at the time of the Russo-Japanese War, and this nation can not expect to receive any assistance from England or the United States. In the event of war, therefore, Japan must be prepared to sustain the brunt of war for at least four or five years unaided except by the hope of ultimate victory. The Japanese Army and Navy must co-operate and exert supreme efforts to secure connections with our western neighbour.

"In order to accomplish this end, the lines of defence will be in the following order: The first line of defence is to be at sea, extending from the Kurile Islands on the north through the Bonin and Loochoo Islands to Formosa. It is absolutely necessary to secure command of the adjacent Pacific, the Sea of China, the Yellow Sea and the Sea of Japan.

"By land the first line of defence will be from Hankow through Shantung and Harbin to Saghalien, which must be in close touch with the main islands of Japan. The Straits of Tsushima would also be made a second line of defence in order to carry on warfare over a long period of time.

"As a result of the reduction of the number of principal battleships, it has become disadvantageous for us to carry on an offensive battle on distant waters. For this reason the first line of defence must be held at all costs. Night attacks will be the main tactical principle."

China—further concrete proofs of the proclaimed altruism of the West before they reverse in every particular the policy they developed since the Russian war of two decades ago is natural. Quick to realize new tendencies, they will model their activities on the actions of others. They are an imitative people, who have been taught to be distrustful by the evidence of the superior power which the white races possess from their control of the world's natural resources and the world's empty areas and from their superior scientific and mechanical ability; but they will never be a timid people. At the present moment Japanese policy is plainly in a quandary because it is beyond the resources of the country to deal simultaneously with China and Russia; and also because the raw materials they need are so scattered in these two domains that it is impossible to concentrate effort in a single direction. One thing of importance they discovered during the world-war—that the potential riches of China, which have been the theme of every writer for half a century, are above the earth and not below it. In other words that apart from agricultural wealth, which is in the hands of an industrious peasantry, China is inferior in mineral resources. Asiatic Russia—and particularly the territory of the Republic of the Far East—gives evidence of vast mineral wealth; but the greatest ore reserves in the Far East are in the Philippine Islands, where there is one deposit of a thousand million tons; whilst the oils they need lie even further south in

Borneo and the Netherlands Indies, unless the borgings now being made in Saghalien prove unexpectedly successful.

There is thus already a certain conflict in Japan between "navalism" and "continentalism" which the decisions of the Washington Conference have tended to accentuate. The symbol of Japanese navalism are the German islands north of the equator, and the possibility of later including in the zone yet other groups. If the doctrine of the Mandates could be scrapped and Germany reinstated as in colonial power the waters of the Pacific would appear less enigmatic than they do to-day; for it is folly to imagine that many issues have been more than postponed. If the men of the Satsuma Clan four and five hundred years ago were able not only to raid the Chinese coasts but to establish themselves in North Luzon in their Malayo-Chinese junks, there is no reason to suppose that time has made them less daring with the submarine and the auxiliary ship. Navalism or continentalism—both have their advocates. An organized China will alone supply the corrective which is now lacking.

But an organized China, looking upon foreign affairs and foreign policy not as the endless series of incidents arising in her territory from the activities of foreigners, but as the working-out of her ordered place in the world, is still far off. Even under the most favourable auspices a generation or two may elapse before that organization is reasonably

advanced; and it is during this vital period that many developments may come.

Is it possible for Japan to be really frank and friendly with China and to assist her rise as a modern state if that is insisted upon by Anglo-American agreement? Her action in Shantung seems an answer in the affirmative. But Japan went into Shantung as a result of a fatal error of British policy and Japan goes out to correct it. The Manchurian question and the doctrine of geographical propinquity are bound up with the Russian question. Japanese even of liberal tendencies are apprehensive of what that question may mean for them. The great fortress of Vladivostok, with the military possibilities it shelters, stands ever before their eyes as something requiring sleepless vigilance. No doubt Japan's Russian policy will be dictated by the requirements of her China policy and vice versa; there is every likelihood to be in the future, as there has been in the past, an elaborate triangular play in which in measure as pressure increases in one direction it will be diminished in another, but yielding at all times to the influences from the distant West.

Other considerations will enter increasingly into the problem—notably economic considerations. Commerce must soon become everything for Japan as it is everything for England. If she is to survive as a great Power and develop as others will develop (particularly China with her contemplated 30 million spindles) the burdens of militarism must be slowly

dropped. There is an increasing tendency to be seen among her industrial leaders to utilize cheap labour and Japan's proximity to the source of raw materials, by putting up factories in China. How far this movement will go, and whether it will in the end dominate policy, it is too soon to say.

Japan's trials are not over; they are just beginning. The next thirty years will prove what she is made of. For centuries the race has been trained to conceal and repress, and no man at the present moment—not even Japanese—can say what will be the state of the nation even five years from now.

The experiment of adopting Western machinery without the Western spirit has yet to be proved a success. But clever men direct the destinies of Japan: she has never lacked of men of character. They will pick out with intelligence the main issue in each succeeding crisis and bend all their energies to surmounting it. Cut off from British support by the collapse of the Alliance, the natural tendency of their policy will be to incline towards the United States, where lies their major trading interest and their greatest market. The influence of America must tend to make them less precise in their objectives, and more inclined to hesitate. . . .

## VI

British policy, if it would frankly accept this very changed situation, could exert untold influence through constructive action. Her practical measures

are still superior (at least in China) to those of other nations because they are based on sound commercial precedents. But the official survival of the mercantilist ideal which has lived for eighty years ought no longer to be countenanced even as a theory. A new gesture is required. I believe that just as England took the lead in the establishment of the treaty-port as the symbol of the open door so now should she take the lead in the establishment of the railway as the new symbol. A rejection of the policy of the internationalization and the taking of the necessary steps to assist the nationalization of railway-building agencies is the most pressing matter to-day.

In simple language, the creation of an adequate iron and steel industry to build up the railway network at the lowest possible cost with the fullest possible use of native resources.

Admitting the restricted nature of Chinese iron ore resources, it would require no vast sums of money to modernize and reorganize the great Hanyehping concessions which formed Group III of the Japanese Twenty-one Demands, and equip them to serve as the driving-force in the general railway scheme. For the nations assembled at Washington to record their hope by formal resolution that "the future development of railways in China shall be so conducted as to enable the Chinese Government to effect the unification of railways into a system under Chinese control," and then not to take feasible steps would be a mockery. The conversion of the Hanyehping en-

terprises into a National Railway enterprise, adding thereto the necessary subsidiaries, would at once eliminate a source of friction between China and Japan and at the same time encourage the mining of ore on the scale that Japanese industry requires. Europeans and Americans in China are continually sighing for the strong men who will evolve order out of chaos; but what are needed are not human giants whose day is over, but giant systematic enterprises which will stabilize the new forces and sound the doom of the system of loan-mongering and trafficking in important monopolies still going on. The nations of the world must reach out and strengthen the government underneath the government in China, i.e. the people: for the true secret of the order beneath the surface chaos is the vast old-world strength of the Chinese commune and the fact that business is still very largely conducted on the old basis of hard cash. Whilst Europe is languishing under an avalanche of paper money, China, in spite of the bankruptcy of the government, runs on hard cash. The silver coinage of seven hundred million dollars and the three hundred million ounces of bullion in circulation by no means exhausts the metallic currency; there is in addition a copper coinage amounting to 160 units per head of population (or 64,000,000,000 coppers) which though debased and falling in value represents a very large sum. With a superabundance of cheap foodstuffs, making the cost of living infinitesimal compared with elsewhere in the world, no

matter whether government totally disappears or not, the inherent conditions will remain superior to what they are elsewhere and give greater promise of good returns.

Still Chinese society requires to be iron-bound if it is to remain permanently effective. By nationalizing railways in the only effective way, i.e. by making them the product of Chinese mines and Chinese workshops, as far as is humanly possible, they will become identified with the people and solidify their power. No system of foreign controllers can ever be as effective as a system which makes the whole four hundred millions the Watch Committee of their Government. That the plan will have to be resorted to is certain from the way in which provincial militarism has now openly settled on the existing railway network as the most powerful political instrumentality and is using it both as a weapon of offence and defence.

The problem of the iron and steel industry of China should have been brought up at Washington and a formal scheme presented; for the Open-door Treaty requires the examination and elucidation of such language as is found in Group III of the Twenty-one Demands: namely,

*“Article 1. The two contracting Parties mutually agree that when the opportune moment arrives the Hanyehping Company shall be made a joint concern of the two nations and they further agree that without the previous consent of Japan, China shall not by her own act dispose of the*

rights and property of whatsoever nature of the said Company nor cause the said Company to dispose freely of the same.

*"Article 2. The Chinese Government agrees that all mines in the neighbourhood of those owned by the Hanyehping Company shall not be permitted, without the consent of the said Company, to be worked by other persons outside of the said Company; and further agrees that if it is desired to carry out any undertaking which, it is apprehended, may directly or indirectly affect the interest of the said Company, the consent of the said Company shall first be obtained—"*

Although the clash of 1915 ended in the compromise contained in the Declaration below which is binding on both governments, it has become meaningless and harmful in view of the changed conditions.

*"If in future the Hanyehping Company and the Japanese capitalists agree upon co-operation, the Chinese Government, in view of the intimate relations subsisting between the Japanese capitalists and the said Company, will forthwith give its permission. The Chinese Government further agrees not to confiscate the said Company, nor, without the consent of the Japanese capitalists, to convert it into a state enterprise, nor cause it to borrow and use foreign capital other than Japanese."*

Here then is the first matter which should be brought before the Board of Reference; for the conversion of the Company owing to its enormous debt into a state enterprise, and its absorption of other

Chinese semi-government iron companies is a first step to consummate the railway programme.

## VII

Indirectly due to the Washington decisions a new storm has burst over China and is spending itself in the Chinese way. The Parliament of 1913, destroyed twice, is back in the capital. The same men find that the same problems are no longer there. The popular conception of 1912 of a unified, centralized Republic has been replaced by the ideal of local autonomy and federated provinces. Provincial militarism, canalized by the railways and destined to be still further restricted—and therefore quickly explosive—as more railways are built, has likewise changed its aspect: control of rolling-stock and railway revenues has become more important than control of provincial capitals. The relationship of the provinces to the Central Government has thus been vastly complicated by Western instrumentalities which are stronger than the men who attempt to control them and which are tearing down things without number. No matter what may be embodied in the Constitution—or what federal scheme adopted—there is this strange phenomenon which eludes treatment. Force could cure it if that force were wielded by competent hands. But in a country the size of China—a Europe in itself—military genius is only one necessity: courage is the second and third and fourth necessity and money makes up the rest—

and of these there is just now lamentably little. . . .

The abolition of injurious trade taxation by the Constitution—which is another proposal—will do little to cure another real and increasing ill, which is that even moderate taxation in the treaty-ports, where most of the wealth of the country is now concentrated, cannot be enforced owing to extraterritoriality. The disorder which wealthy Chinese, as well as all foreigners in the country, denounce so bitterly is indeed largely due to the fact that nearly all wealth is tax-free and the revenue almost entirely taken from the poor. If elsewhere in the world a similar immunity prevailed there would be similar results. The collapse of England and the United States would be more marked than the collapse of China were London and New York and the fifty largest municipalities in each country exempt by Treaty from contributing to the national Treasury.

Yet a Sales-tax of 1% would produce not less than \$100 millions gross, mainly in these foreign settlements, and seems wholly feasible, as it has proved a complete and remarkable success in the Philippines.<sup>1</sup> If the proceeds were entirely applied

<sup>1</sup> The Canadian Sales-Tax, which produces not far short of 100 million dollars, is thus defined:

"Placing of a tax at a rate of not more than 1 per cent on the gross sales of real property, the gross rents and royalties of all kinds, on gross receipts of all public utilities, such as railways, steamships, street-railways, water, power, and light companies; on the gross receipts of places of amusement and clubs; on the gross receipts by banks and bankers of interest and commissions; on the gross commissions earned by brokers; on the gross receipts of insurance companies, hotels, restaurants, barber-shops, liverymen, architects, accountants, lawyers, physicians, advertising agents, etc.; on the gross receipts from personal services, but not on salaries or wages."

to productive works such as national roads under local mixed committees, with sole and undisputed powers to control collection and expenditure, they would so augment the earning-powers of the population as to revolutionize business. The real problem cannot be attacked until the true opening of the country is carried out by such co-operative effort between foreigners and Chinese. That sentence is a complete summary of the crisis of the present generation. China must be made willing to concede something in return for wealth-making concessions. A different class of negotiators is required, both on the foreign and the Chinese side, who will deal with things precisely as they are. Real life and real problems must be attacked. China, who has most of her clever men proscribed or living in the retirement of the extraterritorialized areas, urgently needs the help of all her sons. A general amnesty is a necessary measure to-day—something which will re-establish confidence and bring men out of retirement. Fererro, in his monumental "*Greatness and Decline of Rome*," might have been writing of this other greatness which has declined because jealousy and revengefulness have disintegrated the old order. The army in China is not the chief enemy: nor is disbandment the principal problem. Immaturity of judgment and a refusal to face facts will bring the country far lower than the acts of an undisciplined soldiery, which in any case spring from immaturity of judgment and a refusal to face facts. The pæans of

praise regarding what was registered at Washington must cease; for in the matter of the chief problem—  
China—the failure is greater than the success.

## VIII

Is it right to conclude on a note of pessimism? Not if there is a full realization of the difficulty, tardy though that realization be, in the two countries which alone can bring adjustment. The United States and England must view matters differently from what they have done even during the past year. They must be prepared for a far-reaching effort and radical changes. They must attack the essential things and on a basis of association push forward the building-up of the new edifice.

The organization of credit in China must be assisted,—the government and people need to be taught how to help themselves. National stock exchanges and co-operation between foreign and Chinese bankers are required at the chief centres in the country: local credit-creations are far more important than borrowing from abroad. A unique opportunity will be provided by the Special International Conference to secure a special national conference to sit at the same time and at the same place; to decide overlapping questions; and to enter into definite compacts binding on all the provinces alike. If it can be laid down by solemn compact, that the invasion of one province by the troops of another province is an overt

act of rebellion which will automatically start certain machinery working, it will be possible to break up the system of railway warfare which is the biggest potential menace of the hour, and is apt to burst forth at any moment. The disbandment of all forces in excess of legal establishment is not so urgent as the return of troops to their own provinces. The loss from desertions and sickness is in any case so high—between 50 and 60 men per division per month—that if recruiting were stopped, the army would virtually disappear in twelve years. But no commanding officer will stop recruiting until he is sure that his reward will not merely be elimination by a more powerful rival.

Chinese will not agree among themselves in any single issue for at least a generation unless there is a binding compact involving foreign nations as well as themselves, with admittedly just means of dealing with infractions. They are too numerous, their territory too vast, and their society too upset for anything else to be possible. It will be as interesting to watch the wriggling, the backing and filling of the nations to avoid this uncomfortable fact as it has been interesting to watch the wriggling, the backing and the filling in the case of communist Russia. China is not communist and never will be. But she is a vast series of agricultural communes, with endless cheap foodstuffs, where men can retire for a generation or two, and wait—wait until the English-speaking peoples, with their prime commercial needs on the seas

and in the cities of the coast, agree to apply common sense in a wholesale form and lead others to do the same; for economic laws with their inexorable logic are bound in the long run to prove supreme and bring justice to the people.

## APPENDIX

### THE DECISIONS OF THE WASHINGTON CONFERENCE

#### A : ARMS TREATIES :

1. Four-Power Treaty and Annex.
2. The Five-Power Naval Treaty.
3. Submarines and Poison Gas Treaty.

#### B : TREATIES AND RESOLUTIONS AFFECTING CHINA :

1. The Nine-Power Treaty.
2. Chinese Tariff Treaty.
3. The Shantung Treaty.
4. Resolution regarding a Board of Reference to secure the principle of the Open Door in China.
5. Resolutions regarding Chinese railways.
6. Resolution regarding reduction of Chinese armies.
7. Resolution regarding publication of all international commitments affecting China.
8. Resolutions banishing spheres of influence.
9. Resolution regarding Radio Stations in China.

The nine commissions, conferences, or boards established, were :—

1. A five-power conference (created by the naval limitation treaty), to meet eight years hence to discuss the question of naval armament anew.

NOTE :—In addition to the above resolutions, decisions were registered to abolish foreign post offices in China as from 1st January, 1923; to appoint a foreign judicial commission to visit China and investigate on the spot the question of the abolition of extraterritoriality; and to summon a conference of Chinese officials and foreign diplomats in Peking, to meet subject to China's request, in order to determine the procedure under which foreign military or police troops shall be withdrawn from China.

2. A five-power commission to revise the rules of warfare in the light of the World War.
3. A board of reference to consider economic and railway questions in China—what may be called the Open Door Commission.
4. A nine-power commission on “extraterritoriality” rights in China.
5. A special conference to prepare the way for Chinese tariff revision.
6. A separate commission to revise the existing Chinese tariff.
7. A conference of Chinese officials and foreign diplomats at Peking, to meet subject to China’s request, in order to determine the procedure under which foreign military or police troops shall be withdrawn from China.
8. A conference of the managers of foreign wireless stations in China and the Chinese Communications Minister, to work out the details of radio regulation.
9. A joint Sino-Japanese Shantung Commission to determine the procedure under which Japan shall restore Kiaochow and Shantung rights to China.

## A

### 1. THE FOUR-POWER TREATY AND ANNEX

THE UNITED STATES OF AMERICA, THE BRITISH EMPIRE,  
FRANCE AND JAPAN,

*With a view to the preservation of the general peace and  
the maintenance of their rights in relation to their insular  
possessions in the region of the Pacific Ocean,*

*Have determined to conclude a treaty to this effect, and  
have appointed as their plenipotentiaries:*

The President of the United States of America.

Charles Evans Hughes, Henry Cabot Lodge, Oscar W. Underwood and Elihu Root, citizens of the United States.

His Majesty the King of the United Kingdom of Great Britain and Ireland and of the British Dominions Beyond the Seas, Emperor of India.

The Right Hon. Arthur James Balfour, O.M., M.P., Lord President of his Privy Council.

The Right Hon. Baron Lee of Fareham, G.E.E., K.C.B., First Lord of his Admiralty.

The Right Hon. Sir Auckland Campbell Geddes, K.C.B., his Ambassador Extraordinary and Plenipotentiary to the United States of America.

And for the Dominion of Canada, the Right Hon. Robert Laird Borden, G.C.M.G., K.C.

For the Commonwealth of Australia, the Hon. Georges Foster Pearce, Minister of Defence.

For the Dominion of New Zealand, Sir John William Salmond, K.C., Judge of the Supreme Court of New Zealand.

For the Union of South Africa, the Right Hon. Arthur James Balfour, O.M., M.P.

For India, the Right Hon. Valingman Sankaranarayana Srinivasa Sastri, member of the Indian Council of State.

The President of the French Republic.

Mr. René Viviani, Deputy, former President of the Council of Ministers.

Mr. Albert Sarraut, Deputy, Minister of the Colonies.

Mr. Jules J. Jusserand, Ambassador Extraordinary and Plenipotentiary to the United States of America, Grand Cross of the National Order of the Legion of Honor.

His Majesty the Emperor of Japan.

Baron Tomosahuro Kato, Minister for the Navy, Junti, a member of the first class of the Imperial Order of the Grand Cordon of the Rising Sun with the Paulownia Flowers.

Baron Kijuro Shidehara, his Ambassador Extraordinary and Plenipotentiary at Washington, Jusjii, a member of the first class of the Imperial Order of the Rising Sun.

## APPENDIX

Prince Ivesato Tokugawa, Junii, a member of the first class of the Imperial Order of the Rising Sun.

Mr. Masanao Hanihara, Vice Minister for Foreign Affairs, Jushii, a member of the second class of the Imperial Order of the Rising Sun.

Who having communicated their full powers, found in good and due form, have agreed as follows:

I The high Contracting parties agree as between themselves to respect their rights in relation to their insular dominions in the region of the Pacific Ocean.

If there should develop between any of the high contracting parties a controversy arising out of any Pacific question and involving their said rights which is not satisfactorily settled by diplomacy and is likely to affect the harmonious accord now happily subsisting between them, they shall invite the other high contracting parties to a joint conference to which the whole subject will be referred for consideration and adjustment.

II If the said rights are threatened by the aggressive action of any other power, the high contracting parties shall communicate with one another fully and frankly in order to arrive at an understanding as to the most efficient measures to be taken, jointly or separately, to meet the exigencies of the particular situation.

III This treaty shall remain in force for ten years from the time it shall take effect, and after the expiration of said period it shall continue to be in force, subject to the right of any of the high contracting parties to terminate it upon twelve months' notice.

IV This treaty shall be ratified as soon as possible in accordance with the constitutional methods of the high contracting parties, and shall take effect on the deposit of ratification, which shall take place at Wash-

ington, and thereupon the agreement between Great Britain and Japan, which was concluded in London on July 13, 1911, shall terminate.

The Government of the United States will transmit to all the signatory powers a certified copy of the *procès verbal* of the deposit of ratifications.

The present treaty, in French and in English, shall be deposited in the archives of the Government of the United States, and duly certified copies thereof will be transmitted by that Government to each of the signatory powers.

In faith whereof the above-named plenipotentiaries have signed the present treaty.

Done at the City of Washington, the thirteenth day of December, one thousand nine hundred and twenty-one.

Following is the text of the reservation note, prepared by the American delegates and accepted by the other powers:

In signing the treaty this day between the United States of America, the British Empire, France and Japan, it is declared to be the understanding and intent of the signatory powers:

1. That the treaty shall apply to the mandated islands in the Pacific Ocean, provided, however, that the making of the treaty shall not be deemed to be an assent on the part of the United States of America to the mandates and shall not preclude agreements between the United States of America and the mandatory powers, respectively, in relation to the mandated islands.
2. That the controversies to which the second paragraph of Article I refers shall not be taken to embrace questions which according to principles of international law lie exclusively within the domestic jurisdiction of the respective powers.

*Washington, D. C., Dec. 13, 1921.*

## APPENDIX

## ANNEX TO PACIFIC TREATY

ADOPTED ON 4TH FEBRUARY, 1922, AND SIGNED ON THE 6TH  
FEBRUARY

The United States of America, the British Empire, France and Japan have, through their respective plenipotentiaries, agreed upon the following stipulations supplementary to the quadruple treaty signed at Washington on Dec. 13, 1921:

The term "insular possessions and insular dominions" used in the aforesaid treaty shall, in its application to Japan, include only Karafuto (or the southern portion of the island of Saghalin), Formosa and the Pescadores and the islands under the mandate of Japan.

The present agreement shall have the same force and effect as the said treaty, to which it is supplementary.

The provision of Article IV of the aforesaid treaty of Dec. 13, 1921, relating to ratification, shall be applicable to the present agreement, which, in French and English, shall remain deposited in the archives of the Government of the United States, and duly certified copies thereof shall be transmitted by that Government to each of the other contracting Powers.

In faith whereof the respective plenipotentiaries have signed the present Agreement. Done at the City of Washington, 6th February, 1922.

## 2. THE FIVE-POWER NAVAL TREATY

THE UNITED STATES OF AMERICA, THE BRITISH EMPIRE, FRANCE, ITALY AND JAPAN,

*Desiring to contribute to the maintenance of the general peace, and to reduce the burdens of competition in armament,  
Have resolved, with a view to accomplishing these pur-*

NOTE:—For the text of the United States Senate reservation to the Four-Power Treaty, see footnote in Part VII.

*poses, to conclude a treaty to limit their respective naval armament, and to that end have appointed as their plenipotentiaries:*

The President of the United States of America:

Charles Evans Hughes,

Henry Cabot Lodge,

Oscar W. Underwood,

Elihu Root,

Citizens of the United States;

His Majesty the King of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas, Emperor of India;

The Right Hon. Arthur James Balfour, O.M., M.P.,  
Lord President of his Privy Council;

The Right Hon. Baron Lee of Fareham, G.B.E., K.C.B.,  
First Lord of his Admiralty;

The Right Hon. Sir Auckland Campbell Geddes, K.C.B.,  
his Ambassador Extraordinary and Plenipotentiary  
to the United States of America;

and for the Dominion of Canada:

The Right Hon. Sir Robert Laird Borden, G.C.M.G.,  
K.C.;

for the Commonwealth of Australia:

Senator the Right Hon. George Foster Pearce, Minister  
for Home and Territories;

for the Dominion of New Zealand:

The Hon. Sir John William Salmond, K.C., Judge of  
the Supreme Court of New Zealand;

for the Union of South Africa:

The Right Hon. Arthur James Balfour, O.M., M.P.;

for India:

The Right Hon. Valingman Sankaranarayana Srinivasa  
Sastri, member of the Indian Council of State;

The President of the French Republic:

M. Albert Sarraut, Deputy, Minister of the Colonies;  
 M. Jules J. Jusserand, Ambassador Extraordinary and  
 Plenipotentiary to the United States of America,  
 Grand Cross of the National Order of the Legion of  
 Honour;

His Majesty the King of Italy:

The Hon. Carlo Schanzer, Senator of the Kingdom;  
 The Hon. Vittorio Rolandi Ricci, Senator of the King-  
 dom, his Ambassador Extraordinary and Plenipoten-  
 tiary at Washington;  
 The Hon. Luigi Albertini, Senator of the Kingdom;

His Majesty the Emperor of Japan:

Baron Tomosaburo Kato, Minister for the Navy, Junii,  
 a member of the first class of the Imperial Order of  
 the Grand Cordon of the Rising Sun with the Paul-  
 ownia Flower;

Baron Kijuro Shidehara, his Ambassador Extraordi-  
 nary and Plenipotentiary at Washington, Jushii, a  
 member of the first class of the Imperial Order of  
 the Rising Sun;

Mr. Masanao Hanihara, Vice Minister for Foreign Af-  
 fairs, Jushii, a member of the second class of the  
 Imperial Order of the Rising Sun,

*who, having communicated to each other their respective full  
 powers, found to be in good and due form, have agreed as  
 follows:*

## CHAPTER I

### *General Provisions Relating to the Limitation of Naval Armament*

*Article 1.* The contracting powers agree to limit their  
 respective naval armament as provided in the present treaty.

*Article 2.* The contracting powers may retain respectively the capital ships which are specified in Chapter II, Part 1. On the coming into force of the present treaty, but subject to the following provisions of this article, all other capital ships, built or building, of the United States, the British Empire and Japan shall be disposed of as prescribed in Chapter II, Part 2.

In addition to the capital ships specified in Chapter II, Part 1, the United States may complete and retain two ships of the West Virginia class now under construction. On the completion of these two ships the North Dakota and Delaware shall be disposed of as prescribed in Chapter II, Part 2.

The British Empire may, in accordance with the replacement table in Chapter II, Part 3, construct two new capital ships not exceeding 35,000 tons (35,560 metric tons) standard displacement each. On the completion of the said two ships, the Thunderer, King George V., Ajax and Centurion shall be disposed of as prescribed in Chapter II, Part 2.

*Article 3.* Subject to the provisions of Article 2, the contracting powers shall abandon their respective capital ship building programmes, and no new capital ships shall be constructed or acquired by any of the contracting powers except replacement tonnage which may be constructed or acquired as specified in Chapter II, Part 3.

Ships which are replaced in accordance with Chapter II, Part 3, shall be disposed of as prescribed in Part 2 of that chapter.

*Article 4.* The total capital ship replacement tonnage of each of the contracting powers shall not exceed in standard displacement, for the United States 525,000 tons (533,400 metric tons); for the British Empire 525,000 tons (533,400 metric tons); for France 175,000 tons (177,800

metric tons); for Italy 175,000 tons (177,800 metric tons); for Japan 315,000 tons (320,040 metric tons).

*Article 5.* No capital ship exceeding 35,000 tons (35,560 metric tons) standard displacement shall be acquired by, or constructed by, for, or within the jurisdiction of, any of the contracting powers.

*Article 6.* No capital ship of any of the contracting powers shall carry a gun with a calibre in excess of 16 inches (406 millimetres).

*Article 7.* The total tonnage for aircraft carriers of each of the contracting powers shall not exceed in standard displacement, for the United States 135,000 tons (137,160 metric tons); for the British Empire 135,000 tons (137,160 metric tons); for France 60,000 tons (60,960 metric tons); for Italy 60,000 tons (60,960 metric tons); for Japan 81,000 tons (82,296 metric tons).

*Article 8.* The replacement of aircraft carriers shall be affected only as prescribed in Chapter II, Part 3, provided, however, that all aircraft carrier tonnage in existence or building on Nov. 12, 1921, shall be considered experimental, and may be replaced, within the total tonnage limit prescribed in Article 7, without regard to its age.

*Article 9.* No aircraft carrier exceeding 27,000 tons (27,432 metric tons) standard displacement shall be acquired by or constructed by, for or within the jurisdiction of, any of the contracting powers.

However, any of the contracting powers may, provided that its total tonnage allowance of aircraft carriers is not thereby exceeded, build not more than two aircraft carriers, each of a tonnage of not more than 33,000 tons (33,528 metric tons) standard displacement, and in order to effect economy any of the contracting powers may use for this purpose any two of their ships, whether constructed or in course of construction, which would otherwise be scrapped under the provisions of Article 2. The armament of any

aircraft carriers exceeding 27,000 tons (27,432 metric tons) standard displacement shall be in accordance with the requirements of Article 10, except that the total number of guns to be carried in case any of such guns be of a calibre exceeding 6 inches (152 millimetres), except anti-aircraft guns and guns not exceeding 5 inches (126.7 millimetres), shall not exceed eight.

*Article 10.* No aircraft carrier of any of the contracting powers shall carry a gun with a calibre in excess of 8 inches (203 millimetres). Without prejudice to the provisions of Article 9, if the armament carried includes guns exceeding 6 inches (152 millimetres) in calibre, the total number of guns carried, except anti-aircraft guns and guns not exceeding 5 inches (126.7 millimetres), shall not exceed ten. If alternatively the armament contains no guns exceeding 6 inches (152 millimetres) in calibre, the number of guns is not limited. In either case, the number of anti-aircraft guns and of guns not exceeding 5 inches (126.7 millimetres) is not limited.

*Article 11.* No vessel of war exceeding 10,000 tons (10,-160 metric tons) standard displacement, other than a capital ship or aircraft carrier, shall be acquired by or constructed by, for or within the jurisdiction of any of the contracting powers. Vessels not specifically built as fighting ships, nor taken in time of peace under Government control for fighting purposes, which are employed on fleet duties or as troop transports or in some other way for the purpose of assisting in the prosecution of hostilities otherwise than as fighting ships, shall not be within the limitations of this article.

*Article 12.* No vessel of war of any of the contracting powers hereafter laid down, other than a capital ship, shall carry a gun with a calibre in excess of 8 inches (203 millimetres).

*Article 13.* Except as provided in Article 9, no ship design-

nated in the present treaty to be scrapped may be reconverted into a vessel of war.

*Article 14.* No preparations shall be made in merchant ships in time of peace for the installation of warlike armaments for the purpose of converting such ships into vessels of war, other than the necessary stiffening of decks for the mounting of guns not exceeding 6-inch (152 millimetres) calibre.

*Article 15.* No vessel of war constructed within the jurisdiction of any of the contracting powers for a non-contracting power shall exceed the limitations as to displacement and armament prescribed by the present treaty for vessels of a similar type which may be constructed by or for any of the contracting powers; provided, however, that the displacement for aircraft carriers constructed for a non-contracting power shall in no case exceed 27,000 tons (27,432 metric tons) standard displacement.

*Article 16.* If the construction of any vessel of war for a non-contracting power is undertaken within the jurisdiction of any of the contracting powers, such power shall promptly inform the other contracting powers of the date of the signing the contract and the date on which the keel of the ship is laid; and shall also communicate to them the particulars relating to the ship prescribed in Chapter II, Part 3, Section 1, (b) (4) and (5).

*Article 17.* In the event of a contracting power being engaged in war, such power shall not use as a vessel of war any vessel of war which may be under construction within its jurisdiction for any other power, or which may have been constructed within its jurisdiction for another power and not delivered.

*Article 18.* Each of the contracting powers undertakes not to dispose by gift, sale or any mode of transfer of any vessel of war in such a manner that such vessel may become a vessel of war in the navy of any foreign power.

*Article 19.* The United States, the British Empire and Japan agree that the status quo at the time of the signing of the present treaty, with regard to fortifications and naval bases, shall be maintained in their respective territories and possessions specified hereunder:

(1) The insular possessions which the United States now holds or may hereafter acquire in the Pacific Ocean, except (a) those adjacent to the coast of the United States, Alaska and the Panama Canal Zone, not including the Aleutian Islands, and (b) the Hawaiian Islands;

(2) Hongkong and the insular possessions which the British Empire now holds or may hereafter acquire in the Pacific Ocean, east of the meridian of 110 degrees east longitude, except (a) those adjacent to the coast of Canada, (b) the Commonwealth of Australia and its territories, and (c) New Zealand;

(3) The following insular territories and possessions of Japan in the Pacific Ocean, to wit: the Kurile Islands, the Bonin Islands, Amami-Oshima, the Loochoo Islands, Formosa and the Pescadores, and any insular territories or possessions in the Pacific Ocean which Japan may hereafter acquire.

The maintenance of the status quo under the foregoing provisions implies that no new fortifications or naval bases shall be established in the territories and possessions specified; that no measures shall be taken to increase the existing naval facilities for the repair and maintenance of naval forces, and that no increase shall be made in the coast defences of the territories and possessions above specified. This restriction, however, does not preclude such repair and replacement of worn-out weapons and equipment as is customary in naval and military establishments in time of peace.

*Article 20.* The rules for determining tonnage displacement prescribed in Chapter II, Part 4, shall apply to the ships of each of the contracting powers.

## CHAPTER II

## RULES RELATING TO THE EXECUTION OF THE TREATY—DEFINITION OF TERMS

## PART I

*Capital Ships Which May Be Retained by the Contracting Powers*

In accordance with Article 2, ships may be retained by each of the contracting powers as specified in this part.

## Ships which may be retained by the United States:

<i>Name</i>	<i>Tonnage</i>	<i>Name</i>	<i>Tonnage</i>
Maryland .....	32,600	Nevada .....	27,500
California .....	32,300	New York .....	27,000
Tennessee .....	32,300	Texas .....	27,000
Idaho .....	32,000	Arkansas .....	26,000
New Mexico .....	32,000	Wyoming .....	26,000
Mississippi .....	32,000	Florida .....	21,825
Arizona .....	31,400	Utah .....	21,825
Pennsylvania .....	31,400	North Dakota .....	20,000
Oklahoma .....	27,500	Delaware .....	20,000
Total tonnage .....		500,650	

On the completion of the two ships of the West Virginia class and the scrapping of the North Dakota and Delaware, as provided in Article 2, the total tonnage to be retained by the United States will be 525,850.

## Ships which may be retained by the British Empire:

<i>Name</i>	<i>Tonnage</i>	<i>Name</i>	<i>Tonnage</i>
Royal Sovereign .....	25,750	Emperor of India .....	25,000
Royal Oak .....	25,750	Iron Duke .....	25,000
Revenge .....	25,750	Marlborough .....	25,000
Resolution .....	25,750	Hood .....	41,200
Ramillies .....	25,750	Renown .....	26,500
Malaya .....	27,500	Repulse .....	26,500
Valiant .....	27,500	Tiger .....	28,500
Barham .....	27,500	Thunderer .....	22,500
Queen Elizabeth .....	27,500	King George V .....	23,000
Warspite .....	27,500	Ajax .....	23,000
Benbow .....	25,000	Centurion .....	23,000
Total tonnage .....		580,450	

On the completion of the two new ships to be constructed and the scrapping of the Thunderer, King George V., Ajax and Centurion, as provided in Article 2, the total tonnage to be retained by the British Empire will be 558,950 tons.

Ships which may be retained by France:

<i>Name</i>	<i>Tonnage (Metric Tons)</i>	<i>Name</i>	<i>Tonnage (Metric Tons)</i>
Bretagne .....	23,500	Jean Bart .....	23,500
Lorraine .....	23,500	Courbet .....	23,500
Provence .....	23,500	Condorcet .....	18,890
Paris .....	23,500	Diderot .....	18,890
France .....	23,500	Voltaire .....	18,890
Total tonnage .....			221,170

France may lay down new tonnage in the years 1927, 1929 and 1931, as provided in Part 3, Section 2.

Ships which may be retained by Italy:

<i>Name</i>	<i>Tonnage (Metric Tons)</i>	<i>Name</i>	<i>Tonnage (Metric Tons)</i>
Andrea Doria .....	22,700	Dante Alighieri .....	19,500
Cai Duillio .....	22,700	Roma .....	12,600
Conte di Cavour .....	22,500	Napoli .....	12,600
Giulio Cesare .....	22,500	Vittorio Emanuele .....	12,600
Leonardo da Vinci.....	22,500	Regina Elena .....	12,600
Total tonnage .....			182,800

Italy may lay down new tonnage in the years 1927, 1929 and 1931, as provided in Part 3, Section 2.

Ships which may be retained by Japan:

<i>Name</i>	<i>Tonnage</i>	<i>Name</i>	<i>Tonnage</i>
Mutsu .....	33,800	Fu-So .....	30,600
Nagato .....	33,800	Kirishima .....	27,500
Hiuga .....	31,260	Haruna .....	27,500
Ise .....	31,260	Hiyei .....	27,500
Yamashiro .....	30,600	Kongo .....	27,500
Total tonnage .....			301,320

## PART II

*Rules for Scrapping Vessels of War*

The following rules shall be observed for the scrapping of vessels of war which are to be disposed of in accordance with Articles 2 and 3:

1. A vessel to be scrapped must be placed in such condition that it cannot be put to combatant use.

2. This result must be finally effected in any one of the following ways:

(a) Permanent sinking of the vessel.

(b) Breaking the vessel up. This shall always involve the destruction or removal of all machinery, boilers and armour, and all deck, side and bottom plating.

(c) Converting the vessel to target use exclusively. In such case all the provisions of Paragraph 3 of this part, except Subparagraph 6, in so far as may be necessary to enable the ship to be used as a mobile target, and except Subparagraph 7, must be previously complied with. Not more than one capital ship may be retained for this purpose at one time by any of the contracting powers.

(d) Of the capital ships which would otherwise be scrapped under the present treaty in or after the year 1931, France and Italy may each retain two seagoing vessels for training purposes exclusively; that is, as gunnery or torpedo schools. The two vessels retained by France shall be of the Jean Bart class, and of those retained by Italy one shall be the Dante Alighieri, the other of the Giulio Cesare class. On retaining these ships for the purpose above stated, France and Italy respectively undertake to remove and destroy their conning towers, and not to use the said ships as vessels of war.

3. (a) Subject to the special exceptions contained in Article 9, when a vessel is due for scrapping, the first stage of scrapping, which consists in rendering a ship incapable of further warlike service, shall be immediately undertaken.

(b) A vessel shall be considered incapable of further warlike service when there shall have been removed and landed, or else destroyed in the ship:

- (1) All guns and essential portions of guns, fire-control tops and revolving parts of all barbettes and turrets;
- (2) All machinery for working hydraulic or electric mountings;
- (3) All fire-control instruments and range-finders;
- (4) All ammunition, explosives and mines;
- (5) All torpedoes, warheads and torpedo tubes;
- (6) All wireless telegraphy installations;
- (7) The conning tower and all side armour, or alternatively all main propelling machinery; and
- (8) All landing and flying-off platforms and all other aviation accessories.

4. The periods in which scrapping of vessels is to be effected are as follows:

(a) In the case of vessels to be scrapped under the first paragraph of Article 2, the work of rendering the vessels incapable of further warlike service, in accordance with Paragraph 3 of this part, shall be completed within six months from the coming into force of the present treaty, and the scrapping shall be finally effected within eighteen months from such coming into force.

(b) In the case of the vessels to be scrapped under the second and third paragraphs of Article 2, or under Article 3, the work of rendering the vessel incapable of further warlike service in accordance with Paragraph 3 of this part shall be commenced at later than the date of completion of its successor, and shall be finished within six months from the date of such completion. The vessel shall be finally scrapped in accordance with Paragraph 2 of this part, within eighteen months from the date of completion of its successor. If, however, the completion of the new vessel be delayed, then the work of rendering the old vessel incapable of further

## APPENDIX

## REPLACEMENT AND SCRAPPING OF CAPITAL SHIPS--

## UNITED STATES

Year	Ships Laid Down	Ships Completed	Ships Scrapped (Age in Parentheses)	Ships Retained Summary	
				Pre- Jut- land	Post- Jut- land
	Maine (20), Missouri (20), Vir-				
	ginia (17), Nebraska (17),				
	Georgia (17), New Jersey				
	(17), Rhode Island (17), Con-				
	nnecticut (17), Louisiana (17),				
	Vermont (16), Kansas (16),				
	Minnesota (16), New Hamp-				
	shire (15), South Carolina				
	(13), Michigan (13), Wash-				
	ington (0), South Dakota (0),				
	Indiana (0), Montana (0),				
	North Carolina (0), Iowa (0),				
	Massachusetts (0), Lexington				
	(0), Constitution (0), Constel-				
	lation (0), Saratoga (0),				
	Ranger (0), United States				
	(0)* .....			17	1
	Delaware (12), North Dakota				
1922	A, B †...	(12)		15	3
1923	.....	.....		15	3
1924	.....	.....		15	3
1925	.....	.....		15	3
1926	.....	.....		15	3
1927	.....	.....		15	3
1928	.....	.....		15	3
1929	.....	.....		15	3
1930	.....	.....		15	3
1931	C, D	.....		15	3
1932	E, F	.....		15	3
1933	G	.....		15	3
1934	H, I	C, D	Florida (23), Utah (23), Wyo-		
			ming (22) .....	12	5
1935	J	E, F	Arkansas (23), Texas (21), New		
			York (21) .....	9	7
1936	K, L	G	Nevada (20), Oklahoma (20) ...	7	8
1937	M	H, I	Arizona (21), Pennsylvania (21) ..	5	10
1938	N, O	J	Mississippi (21) .....	4	11
1939	P, Q	K, L	New Mexico (21), Idaho (20) ..	2	13
1940	M	.....	Tennessee (20) .....	1	14
1941	N, O	.....	California (20), Maryland (20) ..	0	15
1942	P, Q	.....	2 ships West Virginia class .....	0	15

\* The United States may retain the Oregon and Illinois for non-combatant purposes, after complying with the provisions of Part 2, III. (b).

† Two West Virginia class.

NOTE.—A, B, C, D, &c., represent individual capital ships of 35,000 tons standard displacement, laid down and completed in the years specified.

warlike service in accordance with Paragraph 3 of this part shall be commenced within four years from the laying of the keel of the new vessel, and shall be finished within six months from the date on which such work was commenced, and the old vessel shall be finally scrapped in accordance with Paragraph 2 of this part within eighteen months from the date when the work of rendering it incapable of further warlike service was commenced.

### PART III

#### *Replacement*

The replacement of capital ships and aircraft carriers shall take place according to the rules in Section I and the tables in Section II of this part.

#### *SECTION I—Rules for Replacement*

(a) Capital ships and aircraft carriers twenty years after the date of their completion may, except as otherwise provided in Article 8 and in the tables in Section II of this part, be replaced by new construction, but within the limits prescribed in Article 4 and Article 7. The keels of such 'new construction may, except as otherwise provided in Article 8 and in the tables in Section II of this part, be laid down not earlier than seventeen years from the date of completion of the tonnage to be replaced, provided, however, that no capital ship tonnage, with the exception of the ships referred to in the third paragraph of Article 2, and the replacement tonnage specifically mentioned in Section II of this part, shall be laid down until ten years from Nov. 12, 1921.

(b) Each of the contracting powers shall communicate promptly to each of the other contracting powers the following information:

(1) The names of the capital ships and aircraft carriers to be replaced by new construction;

(2) The date of governmental authorization of replacement tonnage;

(3) The date of laying the keels of replacement tonnage;

(4) The standard displacement in tons and metric tons of each new ship to be laid down, and the principal dimensions, namely, length at waterline, extreme beam at or below waterline, mean draught at standard displacement;

(5) The date of completion of each new ship and its standard displacement in tons and metric tons, and the principal dimensions, namely, length at waterline, extreme beam at or below waterline, mean draught at standard displacement, at time of completion.

(c) In case of loss or accidental destruction of capital ships or aircraft carriers, they may immediately be replaced by new construction subject to the tonnage limits prescribed in Articles 4 and 7, and in conformity with the other provisions of the present treaty, the regular replacement programme being deemed to be advanced to that extent.

(d) No retained capital ships or aircraft carriers shall be reconstructed except for the purpose of providing means of defence against air and submarine attack, and subject to the following rules: The contracting powers may, for that purpose, equip existing tonnage with bulge or blister or anti-air attack deck protection, providing the increase of displacement thus effected does not exceed 3,000 tons (3,048 metric tons) displacement for each ship. No alterations in side armour, in calibre, number or general type of mounting of main armament shall be permitted, except:

(1) In the case of France and Italy, which countries within the limits allowed for bulge may increase their armour protection and the calibre of the guns now carried on their existing capital ships so as to exceed sixteen inches (406 millimetres), and (2) the British Empire shall be permitted to complete, in the case of the Renown, the alterations to

## REPLACEMENT AND SCRAPPING OF CAPITAL SHIPS—

## GREAT BRITAIN

Year	Ships Laid Down	Ships Completed	Ships Scrapped (Age in Parentheses)	Ships Retained Summary		
				Pre- Jut- land	Post- Jut- land	
1922	A, B †		Commonwealth (16), Agamemnon (13), Dreadnought (15), Bellerophon (12), St. Vincent (11), Inflexible (13), Superb (12), Neptune (10), Hercules (10), Indomitable (13), Temeraire (12), New Zealand (9), Lion (9), Princess Royal (9), Conqueror (9), Monarch (9), Orion (9), Australia (8), Agincourt (7), Erin (7), 4 building or projected *	21	1	
1923				21	1	
1924				21	1	
1925	A, B	King George V. (13), Ajax (12), Centurion (12), Thunderer (13)		17	3	
1926				17	3	
1927				17	3	
1928				17	3	
1929				17	3	
1930				17	3	
1931	C, D			17	3	
1932	E, F			17	3	
1933	G			17	3	
1934	H, I	C, D	Iron Duke (20), Marlborough (20), Emperor of India (20), Benbow (20)	13	5	
1935	J	E, F	Tiger (21), Queen Elizabeth (20), Warspite (20), Barham (20)	9	7	
1936	K, L	G	Malaya (20), Royal Sovereign (20)	7	8	
1937	M	H, I	Revenge (21), Resolution (21)	5	10	
1938	N, O	J	Royal Oak (22)	4	11	
1939	P, Q	K, L	Valiant (23), Repulse (23)	2	13	
1940	M		Renown (24)	1	14	
1941	N, O		Ramillies (24), Hood (21)	0	15	
1942	P, Q	A (17), B (17)		0	15	

\* The British Empire may retain the Colossus and Collingwood for non-combatant purposes, after complying with the provisions of Part 2, III. (b).

† Two 35,000-ton ships, standard displacement.

NOTE.—A, B, C, D, &c., represent individual capital ships of 35,000 tons standard displacement laid down and completed in the years specified.

armour that have already been commenced but temporarily suspended.

(Here follows Section II of Part III, giving the replacement and scrapping schedules of all five countries—the United States, Great Britain, France, Italy and Japan. These tables are printed separately at the tops of pages 1021-1024.)

#### PART IV

##### *Definitions*

For the purposes of the present treaty the following expressions are to be understood in the sense defined in this part:

##### *Capital Ship*

A capital ship, in the case of ships hereafter built, is defined as a vessel of war, not an aircraft carrier, whose displacement exceeds 10,000 tons (10,150 metric tons) standard displacement or which carries a gun with a calibre exceeding 8 inches (203 millimetres).

##### *Aircraft Carrier*

An aircraft carrier is defined as a vessel of war with a displacement in excess of 10,000 tons (10,160 metric tons) standard displacement designed for the specific and exclusive purpose of carrying aircraft. It must be so constructed that aircraft can be launched therefrom and landed thereon, and not designed and constructed for carrying a more powerful armament than that allowed to it under Article 9 or Article 10, as the case may be.

##### *Standard Displacement*

The standard displacement of a ship is the displacement of the ship complete, fully manned, engined and equipped

ready for sea, including all armament and ammunition, equipment, outfit, provisions and fresh water for crew, miscellaneous stores and implements of every description that are intended to be carried in war, but without fuel or reserve feed water on board.

The word "ton" in the present treaty, except in the expression "metric tons," shall be understood to mean the ton of 2,240 pounds (1,016 kilos). Vessels now completed shall retain their present ratings of displacement tonnage in accordance with their national system of measurement. However, a power expressing displacement in metric tons shall

#### REPLACEMENT AND SCRAPPING OF CAPITAL SHIPS—

##### FRANCE

Year	Ships Laid Down	Ships Completed	Ships Scrapped (Age in Parentheses)	Ships Retained Summary	
				Pre- Jut- land	Post- Jut- land
1922				7	0
1923				7	0
1924				7	0
1925				7	0
1926				7	0
1927	..35,000 tons			7	0
1928				7	0
1929	..35,000 tons			7	0
1930		35,000 tons	Jean Bart (17), Courbet (17)	5	*
1931	..35,000 tons			5	*
1932	..35,000 tons	35,000 tons	France (18)	4	*
1933	..35,000 tons			4	*
1934		35,000 tons	Paris (20), Bretagne (20)	2	*
1935		35,000 tons	Provence (20)	1	*
1936		35,000 tons	Lorraine (20)	0	*
1937				0	*
1938				0	*
1939				0	*
1940				0	*
1941				0	*
1942				0	*

\* Within tonnage limitations; number not fixed.

NOTE.—France expressly reserves the right of employing the capital ship tonnage allotment as she may consider advisable, subject solely to the limitations that the displacement of individual ships should not surpass 35,000 tons, and that the total capital ship tonnage should keep within the limits imposed by the present treaty.

## APPENDIX

be considered for the application of the present treaty as owning only the equivalent displacement in tons of 2,240 pounds. A vessel completed hereafter shall be rated at its displacement tonnage when in the standard condition defined herein.

## CHAPTER III

## MISCELLANEOUS PROVISIONS

*Article 21.* If, during the term of the present treaty, the requirements of the national security of any contracting power in respect of naval defence are, in the opinion of that power, materially affected by any change of circumstances, the contracting powers will, at the request of such power, meet in conference with a view to the reconsideration of the

## REPLACEMENT AND SCRAPPING OF CAPITAL SHIPS—

## ITALY

Year	Ships Laid Down	Ships Completed	Ships Scrapped (Age in Parentheses)	Ships Retained Summary	
				Pre- Jut- land	Post- Jut- land
1922				6	0
1923				6	0
1924				6	0
1925				6	0
1926				6	0
1927	..35,000 tons.			6	0
1928				6	0
1929	..35,000 tons.			6	0
1930				6	0
1931	..25,000 tons.	35,000 tons.	Dante Alighieri (19)	5	*
1932	..45,000 tons.			5	*
1933	..25,000 tons.	35,000 tons.	Leonardo da Vinci (19)	4	*
1934				4	*
1935		35,000 tons.	Giulio Cesare (21) Conte di Cavour (21),	3	*
1936		45,000 tons.	Duilio (21)	1	*
1937		25,000 tons.	Andrea Doria (21)	0	*

\* Within tonnage limitations; number not fixed.

NOTE.—Italy expressly reserves the right of employing the capital ship tonnage allotment as she may consider advisable, subject solely to the limitations that the displacement of individual ships should not surpass 35,000 tons, and the total capital ship tonnage should keep within the limits imposed by the present treaty.

## APPENDIX

273

## REPLACEMENT AND SCRAPPING OF CAPITAL SHIPS—

## JAPAN

Year	Ships Laid Down			Ships Scrapped (Age in Parentheses)		Ships Retained Summary		
			Completed			Pre- Jut- land	Post- Jut- land	
				Hizen (20), Mikasa (20), Ka- shima (16), Katori (16), Satsuma (12), Aki (11), Settsu (10), Ikoma (14), Ibuki (12), Kurama (11), Amagi (0), Akagi (0), Kaga (0), Tosa (0), Takao (0), Atago (0), Projected pro- gramme 8 ships not laid down.*				
1922						8	2	
1923						8	2	
1924						8	2	
1925						8	2	
1926						8	2	
1927						8	2	
1928						8	2	
1929						8	2	
1930						8	2	
1931		A				8	2	
1932		B				8	2	
1933		C				8	2	
1934		D	A	Kongo (21)		7	3	
1935		E	B	Hiyei (21), Haruna (20)		5	4	
1936		F	C	Kirishima (21)		4	5	
1937		G	D	Fuso (22)		3	6	
1938		H	E	Yamashiro (21)		2	7	
1939		I	F	Ise (22)		1	8	
1940			G	Hiuga (22)		0	9	
1941			H	Nagato (21)		0	9	
1942			I	Mutsu (21)		0	9	

\* Japan may retain the Shikishima and Asahi for non-combatant purposes, after complying with the provisions of Part 2, III. (b).

NOTE.—A, B, C, D, &c., represent individual capital ships of 35,000 tons standard displacement, laid down and completed in the years specified.

## NOTE APPLICABLE TO ALL THE TABLES IN SECTION II

The order above prescribed in which ships are to be scrapped is in accordance with their age. It is understood that when replacement begins according to the above tables the order of scrapping in the case of the ships of each of the contracting powers may be varied at its option; provided, however, that such power shall scrap in each year the number of ships above stated.

provisions of the treaty and its amendment by mutual agreement.

In view of possible technical and scientific developments, the United States, after consultation with the other contracting powers, shall arrange for a conference of all the contracting powers, which shall convene as soon as possible after the expiration of eight years from the coming into force of the present treaty to consider what changes, if any, in the treaty may be necessary to meet such developments.

*Article 22.* Whenever any contracting power shall become engaged in a war which, in its opinion, affects the naval defence of its national security, such power may, after notice to the other contracting powers, suspend for the period of hostilities its obligations under the present treaty, other than those under Articles 13 and 17, provided that such power shall notify the other contracting powers that the emergency is of such a character as to require such suspension.

The remaining contracting powers shall, in such case, consult together with a view to agreement as to what temporary modifications, if any, should be made in the treaty as between themselves. Should such consultation not produce agreement, duly made in accordance with the constitutional methods of the respective powers, any one of said contracting powers may by giving notice to the other contracting powers, suspend for the period of hostilities its obligations under the present treaty, other than those under Articles 13 and 17.

On the cessation of hostilities, the contracting powers will meet in conference to consider what modifications, if any, should be made in the provisions of the present treaty.

*Article 23.* The present treaty shall remain in force until Dec. 31, 1936, and in case none of the contracting powers shall have given notice two years before that date of its intention to terminate the treaty, it shall continue in force

until the expiration of two years from the date on which notice of termination shall be given by one of the contracting powers, whereupon the treaty shall terminate as regards all the contracting powers. Such notice shall be communicated in writing to the Government of the United States, which shall immediately transmit a certified copy of the notification to the other powers and inform them of the date on which it was received. The notice shall be deemed to have been given and shall take effect on that date. In the event of notice of termination being given by the Government of the United States, such notice shall be given to the diplomatic representatives at Washington of the other contracting powers, and the notice shall be deemed to have been given and shall take effect on the date of the communication made to the said diplomatic representatives.

Within one year of the date on which a notice of termination by any power has taken effect all the contracting powers shall meet in conference.

*Article 24.* The present treaty shall be ratified by the contracting powers in accordance with their respective constitutional methods and shall take effect on the date of the deposit of all the ratifications, which shall take place at Washington as soon as possible. The Government of the United States will transmit to the other contracting powers a certified copy of the procès-verbal of the deposit of ratifications.

The present treaty, of which the English and French texts are both authentic, shall remain deposited in the archives of the Government of the United States, and duly certified copies thereof shall be transmitted by that Government to the other contracting powers.

IN FAITH WHEREOF the above-named plenipotentiaries have signed the present treaty.

*Done at the City of Washington the first day of February, one thousand nine hundred and twenty-two.*

To the naval treaty was added a supplementary resolution, adopted at the plenary session of Feb. 4. This addition was an amplification of Article 18 of the treaty, which binds the signatory powers not to dispose of war craft—in such condition that the vessels might be utilized as warships—"by gift, sale or transfer." The new resolution, which is to be taken as a part of the treaty, reads thus:

It should, therefore, be recorded in the minutes of the sub-committee (on naval limitation) and before the full conference that the powers signatory to the treaty of naval limitation regard themselves in honour bound not to sell any ships between the present date and ratification of the treaty, when such a sale would be a breach of Article 18.

### 3. SUBMARINES AND POISON GAS TREATY

TEXT OF THE FIVE-POWER COMPACT UNDER WHICH THE UNITED STATES, GREAT BRITAIN, JAPAN, FRANCE AND ITALY BIND THEMSELVES TO REFRAIN FROM THE USE OF SUBMARINES AS COMMERCE DESTROYERS, AND OF POISON GAS IN WARFARE

The treaty embodying the resolutions passed by the conference against the use of submarines as commerce destroyers, and also against the employment of poison gas in warfare, the text of which is given herewith, was presented by Mr. Root at the fifth plenary session of Feb. 1, and signed at the seventh and last plenary session on Feb. 6, 1922. Both subjects had been debated at length in previous sessions, and the decisions here translated into treaty terms were not reached without considerable discussion. (See February *Current History*.) Mr. Root was sponsor for both of the original resolutions prohibiting these agencies of warfare. The text of this double treaty is as follows:

THE UNITED STATES OF AMERICA, THE BRITISH EMPIRE,  
FRANCE, ITALY AND JAPAN,

Hereinafter referred to as the signatory powers, desiring to make more effective the rules adopted by civilized nations for the protection of the lives of neutrals and noncombatants at sea in time of war, and to prevent the use in war of noxious gases and chemicals, have determined to conclude a treaty to this effect, and have appointed as their plenipotentiaries (here follows the list of names), who, having communicated their full powers found in good and due form, have agreed as follows:

*Article 1.* The signatory powers declare that among the rules adopted by civilized nations for the protection of the lives of neutrals and noncombatants at sea in time of war, the following are to be deemed an established part of international law: (1) A merchant vessel must be ordered to submit to visit and search to determine its character before it can be seized. A merchant vessel must not be attacked unless it refuse to submit to visit and search after warning or to proceed as directed after seizure. A merchant vessel must not be destroyed unless the crew and passengers have been first placed in safety. (2) Belligerent submarines are not under any circumstances exempt from the universal rules above stated; and if a submarine cannot capture a merchant vessel in conformity with these rules, the existing law of nations requires it to desist from attack and from seizure and to permit the merchant vessel to proceed unmolested.

*Article 2.* The signatory powers invite all other civilized powers to express their assent to the foregoing statement of established law, so that there may be a clear public understanding throughout the world of the standards of conduct by which the public opinion of the world is to pass judgment upon future belligerents.

*Article 3.* The signatory powers, desiring to insure the enforcement of the humane rules of existing law declared by them with respect to attacks upon and seizure and destruction of merchant ships, further declare that any per-

son in the service of any power who shall violate any of those rules, whether or not such person is under orders of a governmental superior, shall be deemed to have violated the laws of war and shall be liable to trial and punishment as if for an act of piracy, and may be brought to trial before the civil or military authorities of any power within the jurisdiction of which he may be found.

*Article 4.* The signatory powers recognize the practical impossibility of using submarines as commerce destroyers without violating, as they were violated in the recent war of 1914-1918, the requirements universally accepted by civilized nations for the protection of the lives of neutrals and non-combatants, and to the end that the prohibition of the use of submarines as commerce destroyers shall be universally accepted as a part of the law of nations they now accept that prohibition as henceforth binding as between themselves, and they invite all other nations to adhere thereto.

*Article 5.* The use in war of asphyxiating, poisonous or other gases, and all analogous liquids, materials and devices having been justly condemned by the general opinion of the civilized world, and a prohibition of such use having been declared in treaties to which a majority of the civilized powers are parties, the signatory powers, to the end that this prohibition shall be universally accepted as a part of international law, binding alike the conscience and practice of nations, declare their assent to such prohibition, agree to be bound thereby as between themselves and invite all other civilized nations to adhere thereto.

*Article 6.* The present treaty shall be ratified as soon as possible in accordance with the constitutional methods of the signatory powers and shall take effect on the deposit of all the ratifications, which shall take place at Washington. The Government of the United States of America will transmit to all the signatory powers a certified copy of the procès-verbal of the deposit of ratifications. The present treaty,

in French and English, shall remain deposited in the archives of the Government of the United States of America, and duly certified copies thereof will be transmitted by that Government to each of the signatory powers.

*Article 7.* The Government of the United States of America will further transmit to each of the non-signatory powers a duly certified copy of the present treaty and invite its adherence thereto. Any non-signatory power may adhere to the present treaty by communicating an instrument of adherence to the Government of the United States of America, which will thereupon transmit to each of the signatory and adhering powers a certified copy of each instrument of adherence.

IN FAITH WHEREOF the above-named plenipotentiaries have signed the present treaty. Done at the City of Washington, the sixth day of January, One Thousand Nine Hundred and Twenty-two.

## B

### 4. TREATIES AND RESOLUTIONS AFFECTING CHINA

#### (1) THE "OPEN-DOOR" TREATY

*Nine-Power Pact Declaring for Integrity of Chinese Sovereignty and for Equal Opportunity in Trade Intercourse*

The Treaty on Chinese Integrity, as it was entitled in the official version, or the treaty on the "Open Door," the text of which is given below, was presented by Secretary Hughes at the sixth plenary session of the arms conference on Feb. 4. This nine-power agreement, signed by the American, British, Chinese, Japanese, French, Belgian, Italian, Dutch and Portuguese delegations for their respective Governments, was based on the original Root resolutions and embodies

further a number of resolutions passed by the Far Eastern Committee at various sessions. It was formally approved by the conference after Secretary Hughes had read the "substantive portions" and was signed, together with other treaties, at the seventh plenary session held on Feb. 6—the last meeting of the conference. All the delegations also unanimously approved a supplementary resolution, which had been adopted by the Far Eastern Committee on Feb. 3, and which provided for the establishment in China of a board of reference charged with the maintenance of the "open-door" principle, as well as a special declaration by China binding her not to alienate any of her territory.

The main treaty pledges the nine signatory powers to help China to get on her feet, and not to seek for themselves any unfair or special advantages, and also to respect Chinese neutrality; it further authorizes all or any of them, including China herself, to call a conference of all the signatories in case a situation arises which involves the application of the terms of the treaty. The official text is as follows:

THE UNITED STATES OF AMERICA, BELGIUM, THE BRITISH EMPIRE, CHINA, FRANCE, ITALY, JAPAN, THE NETHERLANDS AND PORTUGAL,

*Desiring to adopt a policy designed to stabilize conditions in the Far East, to safeguard the rights and interests of China, and to promote intercourse between China and the other powers upon the basis of equality of opportunity;*

*Have resolved to conclude a treaty for that purpose, and to that end have appointed as their respective plenipotentiaries (here follow the names of the plenipotentiaries), who having communicated to each other their full powers, found to be in good and due form, have agreed as follows:*

Article 1. The contracting powers, other than China, agree:

1. To respect the sovereignty, the independence, and the territorial and administrative integrity of China.

2. To provide the fullest and most unembarrassed opportunity to China to develop and maintain for herself an effective and stable Government.

3. To use their influence for the purpose of effectually establishing and maintaining the principle of equal opportunity for the commerce and industry of all nations throughout the territory of China.

4. To refrain from taking advantage of conditions in China in order to seek special rights or privileges which would abridge the rights of subjects or citizens of friendly States, and from countenancing action inimical to the security of such States.

*Article 2.* The contracting powers agree not to enter into any treaty, agreement, arrangement or understanding, either with one another, or individually or collectively with any power or powers, which would infringe or impair the principles stated in Article 1.

*Article 3.* With a view to applying more effectually the principles of the open door, or equality of opportunity, in China for the trade and industry of all nations, the contracting powers, other than China, agree not to seek or to support their respective nations in seeking:

(A) Any arrangement which might purport to establish in favour of their interests any general superiority of rights with respect to commercial or economic development in any designated region in China;

(B) Any such monopoly or preference as would deprive the nationals of any other power of the right of undertaking any legitimate trade or industry in China, or of participating with the Chinese Government, or with any local authority, in any category of public enterprise, or which by reason of its scope, duration or geographical extent is calculated to frustrate the practical application of the principle of equal opportunity.

It is understood that the foregoing stipulations of this

article are not to be so construed as to prohibit the acquisition of such properties or rights as may be necessary to the conduct of a particular commercial, industrial or financial undertaking or to the encouragement of invention and research.

China undertakes to be guided by the principles stated in the foregoing stipulations of this article in dealing with applications for economic rights and privileges from Governments and nationals of all foreign countries, whether parties to the present treaty or not.

*Article 4.* The contracting powers agree not to support any agreements by their respective nationals with each other designed to create spheres of influence or to provide for the enjoyment of mutually exclusive opportunities in designated parts of Chinese territory.

*Article 5.* China agrees that, throughout the whole of the railways in China, she will not exercise or permit unfair discriminations of any kind. In particular there shall be no discrimination whatever, direct or indirect, in respect of charges or of facilities on the ground of the nationality of passengers or the countries from which or to which they are proceeding, or the origin or ownership of goods or the country from which or to which they are proceeding, or the nationality or ownership of the ship or other means of conveying such passengers or goods before or after their transport on the Chinese railways.

The contracting powers, other than China, assume a corresponding obligation in respect of any of the aforesaid railways over which they or their nationals are in a position to exercise any control in virtue of any concession, special agreement or otherwise.

*Article 6.* The contracting parties, other than China, agree fully to respect China's rights as a neutral in time of war to which China is not a party; and China declares that

when she is a neutral she will observe the obligations of neutrality.

*Article 7.* The contracting powers agree that, whenever a situation arises which, in the opinion of any one of them, involves the application of the stipulations of the present treaty, and renders desirable discussion of such application, there shall be full and frank communication between the contracting powers concerned.

*Article 8.* Powers not signatory to the present treaty which have governments recognized by the signatory powers and which have treaty relations with China shall be invited to adhere to the present treaty. To this end the Government of the United States will make the necessary communications to non-signatory powers and will inform the contracting powers of the replies received. Adherence by any power shall become effective on receipt of notice thereof by the Government of the United States.

*Article 9.* The present treaty shall be ratified by the contracting powers in accordance with their respective constitutional methods and shall take effect on the date of the deposit of all the ratifications, which shall take place at Washington as soon as possible. The Government of the United States will transmit to the other contracting powers a certified copy of the procès-verbal of the deposit of ratifications.

The present treaty, of which the English and French texts are both authentic, shall remain deposited in the archives of the Government of the United States, and duly certified copies thereof shall be transmitted by that Government to the other contracting powers.

IN FAITH WHEREOF the above-named plenipotentiaries have signed the present treaty. Done at the City of Washington the sixth day of February, one thousand nine hundred and twenty-two.

## APPENDIX

## THE SUPPLEMENTARY RESOLUTION

The supplementary resolution adopted by the conference at this same session read thus:

The United States of America, Belgium, the British Empire, China, France, Italy, Japan, the Netherlands and Portugal,

Desiring to provide a procedure for dealing with questions that may arise in connection with the execution of the provisions of Articles 3 and 5 of the treaty to be signed at Washington on Feb. 6, 1922, with reference to their general policy, designed to stabilize conditions in the Far East, to safeguard the rights and interests of China, and to promote intercourse between China and the other powers upon the basis of equality of opportunity,

Resolve, That there shall be established in China a board of reference to which any questions arising in connection with the execution of the aforesaid articles may be referred for investigation and report.

The special conference, provided in Article 2 of the treaty to be signed at Washington Feb. 6, 1922, with reference to the Chinese customs tariff shall formulate for the approval of the powers concerned a detailed plan for the constitution of the board.

## DECLARATION BY CHINA

The Chinese declaration regarding alienation of territory, also added to the Far Eastern treaty, was stated thus:

China upon her part is prepared to give an undertaking not to alienate or lease any portion of her territory or littoral to any power.

## (2) TREATY ON THE CHINESE TARIFF

*Text of the Nine-Power Agreement Raising China's Customs Revenue to 5 Per Cent., and Appointing a Revision Commission to Meet at Shanghai*

The nine-power treaty on the Chinese tariff, like the treaty on the "open door," was presented to the arms conference at the sixth plenary session of Feb. 4, and was unanimously approved at that session. The reporter for the compact was Senator Underwood, who traced the series of events that had created the existing situation—a situation under which China received a quota of customs revenue far below the nominal 5 per cent. to which she was entitled. Mr. Sze asked that China's various statements on this subject—made at the sessions of Jan. 5, Jan. 16 and Feb. 3—be spread upon the record, and this was done. The treaty, which embodied the resolutions adopted Jan. 16, provides for the assembling at Shanghai as soon as possible of a special commission, whose duty it shall be to revive the Chinese tariff so as to make it equivalent to 5 per cent. ad valorem, instead of about 3.5 per cent., as at present. The treaty also provides for a special conference to take steps toward the abolition of the "likin" or internal customs in China, and authorizes the levying of a surtax, in most instances 2.5 per cent., on Chinese imports as soon as this is found advisable. A further revision is to be made in four years to adjust the specific duties fixed by the revising commission to the ad valorem rates, and thereafter revisions are to take place every seven years instead of every ten years, as heretofore. Senator Underwood, in reporting the treaty, said that it might be expected to double the maritime customs revenue of China. A full account of the presenting address made by Senator Underwood, and the reply of the Chinese delegation, will be found in the records. The

text of the treaty, which was signed at the last session of the conference on Feb. 6, reads as follows:

THE UNITED STATES OF AMERICA, BELGIUM, BRITISH EMPIRE, CHINA, FRANCE, ITALY, JAPAN, THE NETHERLANDS AND PORTUGAL,

*With a view to increasing the revenues of the Chinese Government, have resolved to conclude a treaty relating to the revision of the Chinese customs tariff and cognate matters, and to that end have appointed as their plenipotentiaries (here follow the names of the plenipotentiaries), who, having communicated to each other their full powers, found to be in good and due form, have agreed as follows:*

*Article 1.* The representatives of the contracting powers having adopted, on the 4th day of February, 1922, in the City of Washington, a resolution, which is appended as an annex to this article, with respect to the revision of Chinese customs duties, for the purpose of making such duties equivalent to an effective 5 per centum ad valorem, in accordance with existing treaties, concluded by China with other nations, the contracting powers hereby confirm the said resolution and undertake to accept the tariff rates fixed as a result of such revision. The said tariff rates shall become effective as soon as possible, but not earlier than two months after publication thereof.

*Annex*—With a view to providing additional revenue to meet the needs of the Chinese Government, the powers represented at this conference, namely, the United States of America, Belgium, the British Empire, China, France, Italy, Japan, the Netherlands and Portugal, agree:

That the customs schedule of duties on imports into China, adopted by the Tariff Revision Commission at Shanghai on Dec. 19, 1918, shall forthwith be revised so that rates of duty shall be equivalent to 5 per cent. effective, as provided for in the several commercial treaties to which China is a part.

A revision commission shall meet at Shanghai, at the earliest practicable date, to effect this revision forthwith and on the general lines of the last revision.

This commission shall be composed of representatives of the powers above named and of representatives of any additional powers having governments at present recognized by the powers represented at this conference and who have treaties with China providing for a tariff on imports and exports not to exceed 5 per cent. ad valorem and who desire to participate therein.

The revision shall proceed as rapidly as possible, with a view to its completion within four months from the date of the adoption of this resolution by the Conference on Limitation of Armament and Pacific and Far Eastern Questions.

The revised tariff shall become effective as soon as possible, but not earlier than two months after its publication by the Revision Commission.

The Government of the United States, as convener of the present conference, is requested forthwith to communicate the terms of this resolution to the Governments of powers not represented at this conference, but who participated in the revision of 1918 aforesaid.

*Article 2.* Immediate steps shall be taken through a special conference to prepare the way for the speedy abolition of likin and for the fulfilment of the other conditions laid down in Article 8 of the treaty of Sept. 5, 1902, between Great Britain and China; in Articles 4 and 5 of the treaty of Oct. 8, 1903, between the United States and China, and in Article 1 of the supplementary treaty of Oct. 8, 1903, between Japan and China, with a view to levying the surtaxes provided for in these articles.

The special conference shall be composed of representatives of the signatory powers, and of such other powers as may desire to participate and may adhere to the present treaty, in accord with the provisions of Article 8 in suffi-

cient time to allow their representatives to take part. It shall meet in China within three months after the coming into force of the present treaty on a day and at a place to be designated by the Chinese Government.

*Article 3.* The special conference provided for in Article 2 shall consider the interim provisions to be applied prior to the abolition of likin and the fulfilment of the other conditions laid down in the articles of the treaties mentioned in Article 2; and it shall authorize the levying of a surtax on dutiable imports as from such date, for such purposes and subject to such conditions as it may determine.

The surtax shall be at a uniform rate of  $2\frac{1}{2}$  per centum ad valorem, provided that in case of certain articles of luxury which, in the opinion of the special conference, can bear a greater increase without unduly impeding trade, the total surtax may be increased, but may not exceed 5 per centum ad valorem.

*Article 4.* Following the immediate revision of the customs schedule of duties on imports into China, mentioned in Article 1, there shall be a further revision thereof, to take effect at the expiration of four years following the completion of the aforesaid immediate revision, in order to insure that the customs duties shall correspond to the ad valorem rates fixed by the special conference provided in Article 2.

Following this further revision there shall be, for the same purpose, periodical revisions of the customs schedule of duties on imports into China every seven years, in lieu of the decennial revision authorized by existing treaties with China.

In order to prevent delay, any revision made in pursuance of this article shall be effected in accord with rules to be prescribed by the special conference provided for in Article 3.

*Article 5.* In all matters relating to customs duties there

shall be effective equality of treatment and of opportunity for all the contracting powers.

*Article 6.* The principle of uniformity in the rates of customs duties levied at all the land and maritime frontiers of China is hereby recognized. The special conference provided for in Article 2 shall make arrangements to give practical effect to this principle, and it is authorized to make equitable adjustments in those cases in which a customs privilege to be abolished was granted in return for some local economic advantage.

In the meantime, any increase in the rate of customs duties resulting from tariff revision or any surtax hereafter imposed in pursuance of the present treaty shall be levied at a uniform rate ad valorem at all land and maritime frontiers of China.

*Article 7.* The charge for transit passes shall be at the rate of  $2\frac{1}{2}$  per centum ad valorem until the arrangements provided for by Article 2 come into force.

*Article 8.* Powers not signatory to the present treaty, whose Governments are at present recognized by the signatory powers and whose present treaties with China provide for a tariff on imports and exports not to exceed 5 per centum ad valorem, shall be invited to adhere to the present treaty.

The Government of the United States undertakes to make the necessary communications for this purpose and to inform the Governments of the contracting powers of the replies received. Adherence by any power shall become effective on receipt of notice thereof by the Government of the United States.

*Article 9.* The provisions of the present treaty shall override all stipulations of treaties between China and the respective contracting powers which are inconsistent therewith, other than stipulations according most favoured nation treatment.

*Article 10.* The present treaty shall be ratified by the contracting powers in accord with their respective constitutional methods and shall take effect on the date of the deposit of all the ratifications, which shall take place at Washington as soon as possible. The Government of the United States will transmit to the other contracting powers a certified copy of the procès-verbal of the deposit of ratifications.

The present treaty, of which the English and French texts are both authentic, shall remain deposited in the archives of the Government of the United States and duly certified copies thereof shall be transmitted by that Government to the other contracting powers.

IN FAITH WHEREOF the above-named plenipotentiaries have signed the present treaty. Done at the City of Washington the sixth day of February, one thousand nine hundred and twenty-two.

In connection with the tariff treaty, the Chinese delegation presented and caused to be spread upon the record a resolution which states that "the Chinese Government have no intention to effect any change which may disturb the present administration of the Chinese maritime customs."

### (3) THE SHANTUNG TREATY

*Text of the Separate Treaty Between China and Japan Which Settled the Long and Bitter Dispute Over Shantung.*

The treaty between China and Japan embodying the terms of transfer to China of Kiao-Chau and the Shantung Railway, together with all rights to public property, maritime customs, mining, port and other rights formerly held by Germany, was presented to the conference at its fifth plenary session on Feb. 1. The history of this whole episode, and of the conditions under which a final settlement was reached

after two months' discussion outside the conference proper, has been told in the main article on the conference. The two Asiatic delegations attributed the final success of these long negotiations to the good offices of Mr. Hughes and Mr. Balfour. The text of the treaty, which was signed at the seventh and last plenary session, Feb. 6, follows herewith:

*CHINA AND JAPAN, being equally animated by a sincere desire to settle amicably and in accordance with their common interest outstanding questions relative to Shantung, have resolved to conclude a treaty for the settlement of such, and have to that end named as their plenipotentiaries, that is to say:*

His Excellency the President of the Chinese Republic;

Soa Ke Alfred Sze, Envoy Extraordinary and Minister Plenipotentiary;

Vi Kvuin Wellington Koo, Envoy Extraordinary and Minister Plenipotentiary; and

Chung-Hui Wang, former Minister of Justice;

His Majesty the Emperor of Japan;

Baron Tomosaburo Kato, Minister of the Navy;

Baron Kijuro Shidehara, Ambassador Extraordinary and Plenipotentiary; and

Masanao Hanihara, Vice Minister for Foreign Affairs;  
*Who, having communicated to each other their respective full powers, found to be in good and due form, have agreed upon the following articles:*

#### I.—THE FORMER GERMAN-LEASED TERRITORY OF KIAO-CHAU

1. Japan shall restore to China the former German leased territory of Kiao-Chau.

2. The Governments of Japan and China shall each appoint a commission with powers to make and carry out detailed arrangements relating to the transfer of the administration and of public property in the said territory and to

settle other matters equally requiring adjustment. For such purposes the Japanese and Chinese commissions shall meet immediately upon the coming into force of the present agreement.

3. The said transfer and adjustment shall be completed as soon as possible, and in any case not later than six months from the date of the coming into force of this agreement.

4. The Japanese Government agrees to hand over to the Chinese Government, upon the transfer to China of the administration of the former German leased territory of Kiao-Chau, such archives, registers, plans, title-deeds and other documents, in the possession of Japan or certified copies thereof, as may be necessary for the said transfer, as well as those that may be useful for the administration by China, after such transfer, of that territory, and of the fifty-kilometre zone around Kiao-Chau Bay.

#### II.—PUBLIC PROPERTIES

1. The Government of Japan undertakes to transfer to the Government of China all public properties, including land, buildings, works or establishments in the leased territory of Kiao-Chau, whether formerly possessed by the German authorities or purchased or constructed by the Japanese authorities during the Japanese administration of the said territory, save those indicated in this article (Paragraph 3) of this treaty.

2. In the transfer of such public properties no compensation will be claimed from the Government of China except (1) for those purchased or constructed by the Japanese authorities and also (2) for the improvement on or additions to those formerly possessed by the German authorities. With regard to cases under these two categories, the Government of China shall refund a fair and equitable proportion of the expenses actually incurred by the Government of Japan

for such properties specified in (1) or such improvements or addition specified in (2), having regard to the principle of depreciation.

3. It is agreed that such public properties in the leased territory of Kiao-Chau as are required for the Japanese Consulate to be established in Tsing-tao shall be retained by the Government of Japan, and that those required more especially for the benefit of the Japanese community, including public schools, shrines and cemeteries, shall be left in the hands of the said community.

Details of such matters shall be arranged by the joint commission provided for in an article of this treaty.

### III.—JAPANESE TROOPS

The Japanese troops, including gendarmes now stationed along the Tsing-tao-Tsinanfu Railway and its branches, shall be withdrawn as soon as the Chinese police or military force shall have been sent to take over the protection of the railway.

The disposition of the Chinese police or military force and the withdrawal of the Japanese troops under the foregoing provisions may be effected in sections. The date of the completion of such process for each section shall be arranged in advance between the competent authorities of Japan and China. The entire withdrawal of such Japanese troops shall be effected if possible within three months, and, in any case, not later than six months from the date of the signature of the present agreement.

The Japanese garrison at Tsing-tao shall be completely withdrawn, simultaneously, if possible, with the transfer of the administration of the leased territory of Kiao-Chau to China, and in any case not later than thirty days from the date of such transfer.

## IV.—THE MARITIME CUSTOMS

1. It is agreed that upon the coming into force of the present treaty the Custom House of Tsing-tao shall be made an integral part of the Chinese maritime customs.
2. It is understood that the provisional agreement of Aug. 6, 1915, between Japan and China relative to the maritime customs office at Tsing-tao will cease to be effective upon the coming into force of the present treaty.

## V.—THE TSING-TAO-TSINANFU RAILWAY

1. Japan shall transfer to China the Tsing-tao-Tsinanfu Railway and its branches, together with all the properties appurtenant thereto, including wharves, warehouses and other similar properties.
2. China, on her part, undertakes to reimburse to Japan the actual value of the railway properties mentioned in the preceding paragraph. The actual value to be so reimbursed shall consist of the sum of 53,406,141 gold marks (which is the assessed value of such portion of the said properties as was left behind by the Germans), or its equivalent, plus the amount which Japan, during her administration of the railway, has actually expended for permanent improvements on or additions to the said properties, less a suitable allowance for depreciation. It is understood that no charge will be made with respect to the wharves, warehouses and other similar properties mentioned in Paragraph 1 of this article, except for such permanent improvements on or additions to them as may have been made by Japan during her administration of the railway, less a suitable allowance for depreciation.
3. The Government of Japan and the Government of China shall each appoint three commissioners to form a joint railway commission, with powers to appraise the actual

value of the railway properties on the basis defined in the preceding paragraph, and to arrange the transfer of the said properties.

4. Such transfer shall be completed as soon as possible, and, in any case, not later than nine months from the date of the coming into force of the present agreement.

5. To effect the reimbursement under Paragraph 2 of this article, China shall simultaneously with the completion of the transfer of the railway properties, deliver to Japan Chinese Government Treasury notes, secured on the properties and revenues of the railway, and running for a period of fifteen years, but redeemable at the option of China at the end of five years from the date of the delivery of the Treasury notes, or at any time thereafter upon six months' previous notice.

6. Pending the redemption of the said Treasury notes, the Chinese Government will select and appoint, for so long a period as the said notes remain unredeemed, a Japanese subject to the post of traffic manager and another Japanese subject to be chief accountant jointly with the Chinese chief accountant with co-ordinate functions. These officials shall all be under the direction, control and supervision of the Chinese managing director, and removable for cause.

7. Financial details of a technical character relating to the said Treasury notes, not provided for in this article, shall be determined in mutual accord between the Japanese and Chinese authorities as soon as possible, and, in any case, not later than six months from the date of the coming into force of the present agreement.

#### VI.—THE EXTENSIONS OF THE TSING-TAO-TSINANFU RAILWAY

It is agreed that the concessions relating to the two extensions of the Tsing-tao-Tsinanfu Railway, namely, the Tsinanfu-Shunteh and the Kaomi-Hsucowfu lines, will be

thrown open for the common activity of an international financial group, on terms to be arranged between the Chinese Government and the said group.

#### VII.—MINES

The mines of Tsechuan, Fangtse and Chinlingchen, for which the mining rights were formerly granted by China to Germany, shall be handed to a company to be formed by a special charter of the Chinese Government, in which the Japanese capital may not exceed the amount of the Chinese capital. The mode and terms of such arrangement shall be determined by the Chinese and Japanese commissions which are to be appointed for that purpose and which shall meet immediately upon the coming into force of the present agreement.

#### VIII.—OPENING OF THE FORMER GERMAN LEASED TERRITORY

The Japanese Government declares that it has no intention of seeking the establishment of an exclusive Japanese settlement or of an international settlement in Tsing-tao.

The Chinese Government, on its part, declares that the entire area of the former German leased territory of Kiao-Chau will be opened to foreign trade, and that foreigners will be permitted freely to reside and carry on commerce, industry, and other lawful pursuits within such area.

The vested rights lawfully and equitably acquired by foreign nationals in said area, whether under the German régime or during the Japanese military occupation, will be respected.

All questions relating to the status or validity of such vested rights acquired by Japanese nationals shall be arranged by the Sino-Japanese Joint Commission.

## IX.—SALT INDUSTRY

Whereas, the salt industry is a Government monopoly in China, it is agreed that the interests of Japanese companies of Japanese nationals actually engaged in the said industry along the coast of Kiao-Chau Bay are to be purchased by the Chinese Government on payment of fair compensation, and that exportation to Japan of a quantity of salt produced by the said industry along the said coast is to be permitted on reasonable terms. Arrangements for the above purposes, including the transfer of said interests to the Chinese Government, shall be completed by the Chinese and Japanese commissions as soon as possible, and in any case not later than six months from date of the coming into force of the present agreement.

## X.—SUBMARINE CABLES

Japan declares that all the rights, titles and privileges concerning former German submarine cables between Tsing-tao and Chefoo, and between Tsing-tao and Shanghai, are vested in China, with the exception of those portions of the said two cables which have been utilized by the Japanese Government for the laying of a cable between Tsing-tao and Sasebo—it being understood that the question relating to the landing and operation at Tsing-tao and the said Tsing-tao-Sasebo cable shall be arranged by the Chinese and Japanese commissions as subject to the terms of the existing contracts to which China is a party.

## XI.—WIRELESS STATIONS

The Japanese wireless stations at Tsing-tao and Tsinanfu shall be transferred to China upon the withdrawal of the Japanese troops at those two places, respectively, with fair

compensation for the value of these stations. The details of such transfer and compensation shall be arranged by the Chinese and Japanese commissions.

## ANNEXES

*I. Preferential Rights*—Japan declares that she renounces all preferential rights with regard to foreign assistance in persons, capital and material, stipulated in the Sino-German Treaty of March 6, 1898.

*II. Public Enterprises*—Enterprises relating to electric light, telephone, stock yards, &c., shall be handed over to the Chinese Government, with the understanding that the stock yard, electric light and laundry enterprises are, in turn, to be handed over to the municipal government of Tsing-tao, which will form Chinese corporations in conformity with the Chinese Company law to manage them under municipal supervision and regulations.

*III. Telephones*—1. The Japanese Government agrees to turn over to the Chinese Government the telephone enterprise in the former German leased territory of Kiao-Chau.

2. As regards such telephone enterprise, the Chinese Government will give due consideration to requests from the foreign community at Tsing-tao for such extensions and improvements as may be reasonably required by the general interests of the public.

*IV. Public Works*—The Chinese Government declares that in the management and maintenance of the public works in Tsing-tao, such as roads, waterworks, parks, drainage, sanitary equipment, &c., handed over to the Chinese Government by the Japanese Government, the foreign community in Tsing-tao shall have fair representation.

*V. Maritime Customs*—The Chinese Government declares that it will move the Inspector General of the Chinese maritime customs to permit the Japanese traders at Tsing-tao to

communicate with the said customs in the Japanese language, and, in the selection of a suitable staff for the Tsing-tao customs, to give consideration within the limits of its established service regulations to the diverse needs of the trade of Tsing-tao.

*VI. The Tsing-tao-Tsinanfu Railway*—Should the Joint Railway Commission fail to reach an agreement on any of the matter entrusted to its charge, the points at issue shall be taken up by the two Governments for discussion and adjustment by means of diplomacy. In the determination of such points the two Governments shall, if necessary, obtain recommendations of an expert or experts of a third power or powers who shall be designated in mutual agreement with each other.

*VII. Extension of the Tsing-tao-Tsinanfu Railway*.—The Japanese Government has no intention of claiming that the option for the construction of the Chefoo-Weihsien Railway should be thrown open for the common activity of the international financial consortium if that railway is to be constructed with Chinese capital.

*VIII. Opening of the Former Leased Territory*—The Chinese Government declares that, pending the enactment and general application of laws regulating the system of local self-government in China, the Chinese local authorities will ascertain the views of the foreign residents in the former German leased territory of Kiao-Chau in such municipal matters as may directly affect their welfare and interests.

#### SPECIAL UNDERSTANDINGS

The four following special understandings, as recorded in the minutes of the conversations, and as explained by Secretary Hughes at the plenary session of Feb. 1, form a part of the conclusions reached:

1. It is understood that on taking over the railway, the

Chinese authorities shall have full power and discretion to continue to remove the present employés of Japanese nationality in the service of the railway and that reasonable notice may be given before the date of the transfer of the railway. Detailed arrangements regarding the replacement to take effect immediately on the transfer of the railway to China are to be made by the Chinese and Japanese authorities.

2. It is understood (1) that the entire subordinate staff of the Japanese traffic manager and of the Japanese chief accountant is to be appointed by the Chinese Managing Director; and (2) that after two years and a half from the date of the transfer of the railway, the Chinese Government may appoint an assistant traffic manager of Chinese nationality, for the period of two years and a half, and that such assistant Chinese traffic manager may also be appointed at any time after six months' notice for the redemption of the Treasury notes is given.

3. The Japanese delegation declares that Japan has no intention to claim that China is under any obligation to appoint Japanese nationals as members of the said subordinate staff.

4. It is understood that the redemption of the said Treasury notes will not be effected with funds raised from any source other than Chinese.

#### (4) RESOLUTION

*J Regarding a Board of Reference to Serve the Principle of the Open Door in China.*

I. With a view to applying more effectually the principles of the open door or equality of opportunity in China for the trade and industry of all nations, the powers other than China represented at this conference agree:

(a) Not to seek or to support their nationals in seeking

any arrangement which might purport to establish in favour of their interests any general superiority of right with respect to commercial or economic development in any designated region of China;

(b) Not to seek or to support their nationals in seeking any such monopoly or preferences as would deprive other nationals of the right of undertaking any legitimate trade or industry in China or of participating with the Chinese Government or with any local authority in any category or public enterprise which by reason of its scope, duration or geographical extent is calculated to frustrate the principle of equal opportunity.

It is understood that this agreement is not to be so construed as to prohibit the acquisition of such properties or rights as may be necessary to the conduct of a particular commercial, industrial or financial undertaking or to the encouragement of invention and research.

II. The Chinese Government takes note of the above agreement and declares its intention of being guided by the same principles in dealing with applications for economic right and privileges from Governments and nationals of all foreign countries whether parties to that agreement or not.

III. The powers, including China, represented at this conference agree in principle to the establishment in China of a Board of Reference to which any question arising on the above agreement and declaration may be referred for investigation and report. (A detailed scheme for the constitution of the board shall be formed by the special conference referred to in Article I of the convention on Chinese customs duties.)

#### (5) RAILWAY RESOLUTIONS OF 19TH JANUARY

(a) The Chinese Government declares that throughout the whole of the railways in China it will not exercise or

permit any unfair discrimination of any kind. In particular there shall be no discrimination whatever, direct or indirect, in respect of charges or of facilities on the ground of the nationality of passengers or the countries from which or to which they are proceeding, or the origin or ownership of goods or the country from which or to which they are consigned, or the nationality or ownership of the ship or other means of conveying such passengers or goods before or after their transport on the Chinese railways.

The other powers represented at this conference take note of the above declaration and make a corresponding declaration in respect of any of the aforesaid railways over which they or their nationals are in a position to exercise any control in virtue of any concession, special agreement or otherwise.

Any question arising under this declaration may be referred by any of the powers concerned to the Board of Reference, when established, for consideration and report.

(b) The resolution for railway unification, as finally adopted, read thus:

The powers represented in this conference record their hope that, to the utmost degree consistent with legitimate existing rights, the future development of railways in China shall be so conducted as to enable the Chinese Government to effect the unification of the railways into a railway system under Chinese control, with such foreign financial and technical assistance as may prove necessary in the interests of that system.

#### (6) RESOLUTION REGARDING REDUCTION OF CHINA'S ARMIES

Whereas the powers attending this conference have been deeply impressed with the severe drain on the public revenue of China through the maintenance in various parts of the country of military forces, excessive in number and con-

trolled by the military chiefs of the provinces without co-ordination; and

Whereas the continued maintenance of these forces appears to be mainly responsible for China's present unsettled political conditions; and

Whereas it is felt that large and prompt reductions of these forces will not only advance the cause of China's political unity and economic development, but will hasten her financial rehabilitation;

Therefore, without any intention to interfere in the internal problems of China, but animated by the sincere desire to see China develop and maintain for herself an effective and stable Government, alike in her own interest and in the general interest of trade; and being inspired by the spirit of this conference, whose aim is to reduce, through the limitation of armaments, the enormous disbursements which manifestly constitute the greater part of the encumbrance upon enterprise and national prosperity; it is

Resolved, That this conference express to China the earnest hope that immediate and effective steps may be taken by the Chinese Government to reduce the aforesaid military forces and expenditures.

#### (7) RESOLUTION REGARDING PUBLICATION OF ALL INTERNATIONAL AGREEMENTS

The powers represented in this conference, considering it desirable that there should hereafter be full publicity with respect to all matters affecting the political and other international obligations of China and of the several powers in relation to China, are agreed as follows:

##### I

The seven powers other than China will, at their earliest convenience, file with the Secretariat General of the confer-

ence for transmission to the participating powers a list of all treaties, conventions, exchange of notes or other international agreements which they may have with China, or with any other power or powers in relation to China, which they deem to be still in force and upon which they may desire to rely. In each case citations will be given to any official or other publication in which an authoritative text of the documents may be found. In any case in which the document may not have been published, a copy of the text (in its original language or languages) will be filed with the Secretariat General of the conference.

Every treaty or other international agreement of the character described which may be concluded hereafter shall be notified by the Governments concerned within sixty days of its conclusion to the powers who are signatories of or adherents to this agreement.

## II

The several powers other than China will file with the Secretariat General of the conference at their earliest convenience for transmission to the participating powers a list, as nearly complete as may be possible, of all those contracts between their nationals, of the one part, and the Chinese Government or any of its administrative subdivisions or local authorities, of the other part, which involve any concession, franchise, option or preference with regard to railway construction, mining, forestry, navigation, river conservancy, harbour works, reclamation, electrical communications, or other public works or public services, or for the sale of arms or ammunition, or which involve a lien upon any of the purviews or properties of the Chinese Government or of any of its administrative subdivisions. There shall be, in the case of each document so listed, either a citation to a published text or copy of the text itself.

Every contract of the public character described which

may be concluded hereafter shall be notified by the Governments concerned within sixty days after the receipt of information of its conclusion to the powers who are signatories of or adherents to this agreement.

**III**

The Chinese Government agrees to notify, in the condition laid down in this agreement, every treaty, agreement or contract of the character indicated herein which has been or may hereafter be concluded by that Government or by any local authority in China with any foreign power or the nationals of any foreign power, whether party to this agreement or not, so far as the information is in its possession.

**IV**

The Governments of powers having treaty relations with China, which are not represented at the present conference, shall be invited to adhere to this agreement. The United States Government, as convener of the conference, undertakes to communicate this agreement to the Governments of the said powers, with a view to obtaining their adherence thereto as soon as possible.

**(8) RESOLUTION BANISHING SPHERES OF INFLUENCE**

Resolved, That the signatory powers will not support any agreement by their respective nationals with each other designed to create spheres of influence or to provide for the enjoyment of exclusive opportunity in designated parts of Chinese territory.

**(9) RESOLUTION REGARDING RADIO STATIONS IN CHINA**

The representatives of the powers hereinafter named participating in the discussion of Pacific and Far Eastern ques-

tions in the conference on the limitation of armament, to wit, the United States of America, Belgium, the British Empire, China, France, Italy, Japan, the Netherlands and Portugal, have resolved:

1. That all radio stations in China, whether maintained under the provisions of the International Protocol of Sept. 7, 1901, or in fact maintained in the grounds of any of the foreign legations in China, shall be limited in their use to sending and receiving Government messages and shall not receive or send commercial or personal or unofficial messages, including press matters; provided, however, that in case all other telegraphic communication is interrupted, then, upon official notification accompanied by proof of such interruption to the Chinese Ministry of Communications, such stations may afford temporary facilities for commercial, personal or unofficial messages, including press matter, until the Chinese Government has given notice of the termination of the interruption.
2. All radio stations operated within the territory of China by a foreign Government or the citizens or subjects thereof, under treaties or concessions of the Government of China, shall limit the messages sent and received by the terms of the treaties or concessions under which the respective stations are maintained.
3. In case there be any radio station maintained in the territory of China by a foreign Government or citizens or subjects thereof without the authority of the Chinese Government such station and all the plant, apparatus and material thereof shall be transferred to and taken over by the Government of China, to be operated under the direction of the Chinese Ministry of Communications upon fair and full compensation to the owners for the value of the installation, as soon as the Chinese Ministry of Communications is prepared to operate the same effectively for the general public benefit.

4. If any question shall arise as to the radio stations in leased territories, in the South Manchurian Railway zone or in the French concession at Shanghai, they shall be regarded as matters for discussion between the Chinese Government and the Government concerned.

5. The owners or managers of all radio stations maintained in the territory of China by foreign powers or citizens or subjects thereof shall confer with the Chinese Ministry of Communications for the purpose of seeking a common arrangement to avoid interference in the use of wave lengths by wireless stations in China, subject to such general arrangements as may be made by an international conference convened for the revision of the rules established by the International Radio Telegraph Convention signed at London, July 5, 1912.

The reservations, as approved by the Committee and spread upon the record, read thus:

"The powers other than China declare that nothing in paragraphs 3 or 4 of the resolution of Dec. 7, 1921, is to be deemed to be an expression of opinion by the conference as to whether the stations referred to therein are or are not authorized by China.

"They further give notice that the result of any discussion arising under Paragraph 4 must, if it is not to be subject to objection by them, conform with the principles of the open door, or equality of opportunity, approved by the conference."

In addition, Mr. Alfred Sze for China similarly spread upon the record the following declaration by China:

"The Chinese delegation takes this occasion formally to declare that the Chinese Government does not recognize or concede the right of any foreign power or of the nationals thereof to instal or operate, without its express consent, radio stations in legation grounds, settlements, concessions, leased territories, railway areas or other similar areas."

## APPENDIX TO PART VI

It may be held pertinent at this hour to disclose the following from official notebooks. After Japan had attacked and captured Kiaochow (Nov., 1914), the Chinese Minister in Tokyo, through the secret service, obtained information that a series of drastic demands were being formulated. He therefore secretly visited the Elder Statesman, Marquis Matsukata, who was friendly to China, to intercede with him. Marquis Matsukata disclaimed all knowledge saying that Marquis Okuma, the Premier, was not on good terms with any of the Genro, or Elder Statesmen, and did not consult them, but he advised a warning to be conveyed to President Yuan Shih-kai to exercise extreme care. Unfortunately the agitation over the continued presence of Japanese troops in Shantung had already reached boiling-point, and in spite of the warning President Yuan Shih-kai was forced by the Shantung people to issue a strong protest to Japan on the 4th January. This was precisely what Marquis Okuma and Baron Kato (Foreign Minister) were waiting for. On the 19th January the Twenty-one Demands were secretly filed on President Yuan Shih-kai personally. It was Count Inouye, Japanese Ambassador in London, and adopted heir of Marquis Inouye, the Elder Statesman, who later forced action by the Genro. Count Inouye had persistently denied the existence of Group V to Viscount Grey, then British Foreign Secretary. When it transpired that there was really such a group of which he had been kept in ignorance, he telegraphed confidentially over the heads of the Cabinet asking that the Emperor recall him as his honour had been compromised by Baron Kato, forcing him to prevaricate in his dealings with Viscount Grey.

When the Peking negotiations approached their inevitable crisis at the end of April, there was a mounting storm of indignation among the Elder Statesmen. China in her last reply having rebutted the final Japanese proposals, on the 4th May the Cabinet and the Genro held a joint meeting which lasted four hours without coming to any definite conclusion. Owing, however, to the open opposition of the Elder Statesmen there was an increasing tendency to withdraw the two articles of Group V., dealing with the employment of Japanese advisers and the proposed monopoly in the supply of Japanese arms and ammunition. In order to come to a definite decision the Cabinet called a second meeting next day. This was also inconclusive: hence an arrangement was made for an Imperial audience on the 6th May.

At this meeting before the Throne it was declared that the fundamental causes of disagreement between the Genro and the Cabinet were:

- (1) That the Japanese Government in drawing up the Twenty-one Demands did not consult the Elder Statesmen whose opinion is usually solicited in matters of importance.
- (2) That without the approval of the Genro the Government had declared martial Law in Manchuria and the Port Arthur Leased Territory and mobilized troops in these areas.

At the beginning of the Audience the Genro Marquis Matsukata inquired about Japan's financial standing in the event of war. The Finance Minister answered that four months' expenditure had been prepared. Marquis Matsukata (who was the principal financial authority in Japan having established the gold standard) replied that to bring down a big country like China, four months was an entirely inadequate preparation. Prince Yamagata then asked whether it would be necessary to consult England and America prior to the taking of final steps; if an ultimatum were issued leading to the intervention of other Powers how

would Japan meet the contingency? Baron Kato, Foreign Minister, answered that the filing of an ultimatum would cause China to accept all the Demands. If not, war would be declared which would automatically overthrow the government of Yuan Shih-kai. Prince Yamagata answered that even if Yuan Shih-kai were so easily overthrown it would be much harder to restore the status quo ante bellum, and that unless Japan were prepared for a ten years' struggle he feared the desired results would not be accomplished. Marquis Matsukata urged once more that the clauses dealing with Japanese advisers and Japanese arms and the like should be left for mutual consideration and no force threatened in their regard. To this Baron Kato objected strenuously. In consequence of his brusque manner in the Imperial presence he was ordered to leave the meeting, which proceeded without him and ended by the general acceptance of the contentions of the Genro.

It was in consequence of these developments that in the ultimatum delivered to China the next day, 7th May, Japan agreed to detach Group V from immediate consideration, reserving it for a later date. The Japanese Legation in Peking, only apprised of these events at a much later date, was telegraphing all that day (7th May) and the next, after filing the ultimatum that better terms were obtainable. These are the true facts which have hitherto been closely guarded.

~~etc~~









LIBRARY OF CONGRESS



0 028 345 226 8